

# 2018 Annual Plan

*July 1, 2017 – June 30, 2018*



# DRAFT

Office of Affordable Housing  
Research and Strategic Planning |  
**April 26, 2017**

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## Message from the Executive Director

[Letter will be inserted in final draft]

## About the Ohio Housing Finance Agency

For more than 30 years, the Ohio Housing Finance Agency (OHFA) has served as the state's affordable housing leader, assuring that Ohioans with low and moderate incomes have access to safe, quality and affordable housing. OHFA uses federal and state resources to fund fixed-rate mortgage loans and provide financing for the development of affordable rental housing. The Agency relies on its partnerships with the private and public sectors and nonprofit organizations to serve homebuyers, renters and populations with special housing needs. Since 1983, OHFA has empowered over 158,000 households throughout Ohio to achieve the dream of homeownership. As the allocating agency for the federal Housing Tax Credit program, OHFA has assisted in the financing of more than 141,000 affordable rental housing units since 1987.

### ***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

**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

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

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

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

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

### ***Our Mission***

OHFA uses federal and state resources to finance housing opportunities for low- and moderate-income Ohioans 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 where everyone has a safe, decent, and affordable place to call home.

We partner with public agencies, nonprofits, and for-profit organizations to have a positive impact on all communities. We help finance innovative and sustainable housing solutions that provide renters and homebuyers affordable homes while maintaining high standards of customer service, programmatic knowledge, and technical expertise.

### ***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.

## **About the Fiscal Year 2018 Annual Plan**

The Annual Plan is the document prepared by OHFA to ensure compliance with Section 175.04 of the Ohio Revised Code, 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, this planning document identifies strategic priorities and actionable goals to be integrated into all aspects of OHFA's work. It also guides other strategic processes, including workforce planning, program implementation and performance monitoring, as well as the Consolidated Plan produced by the Ohio Development Services Agency.

## **Participants in the Fiscal Year 2018 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 Members***

American Eagle Mortgage Company, Stuart Spalt  
American Mortgage Service Company, Deena Crawford  
AmeriFirst, Dave Gahm  
Breaking Chains, Jackie Jones  
Buckeye Community Hope Foundation, Ian Maute  
Carleton Realty, Diana Kutschbach  
Carleton Realty, Bob Kutschbach  
Central Ohio Community Improvement Corporation, Hope Kingsborough  
Coalition on Homelessness and Housing in Ohio, Bill Faith  
Coalition on Homelessness and Housing in Ohio, Joe Maskovyak  
Columbus Realist, Gail Tate-Johnson  
Community Housing Network, Sam Shuler  
Community Properties of Ohio, Chad Ketler  
Corporation for Supportive Housing, Katie Kitchin  
Enterprise Community Partners, Mark McDermott  
Fairfield Homes Inc., Jennifer Walters  
Famicos Foundation, John Anoliefo  
Fannie Mae, Lynn Alley  
Fifth Third Bank, Stefanie Steward-Young  
First Church of God, Joscelyn Clarke  
Freddie Mac, Erin Quinn  
Greater Ohio Policy Center, Alison Goebel  
Habitat for Humanity, EJ Thomas  
Hamilton County Land Bank, Christopher Recht  
HER Realtors, Jeff Woo  
Huntington Bank, Marcy Ash  
Lawrence County Land Reutilization Corporation, Thomas Schneider  
Legal Aid Society of Southwest Ohio LLC, Steven Sharpe  
Lucas County Land Bank, David Mann  
Lucas Metropolitan Housing Authority, Linnie Willis  
Millennia, Andrew Bailey  
Model Group, David Thompson  
Molina Healthcare, Cynthia Young  
Momentum Strategy Group, NeighborWorks, Nathan Miner  
Mortgage Guaranty Insurance Corporation, Jane Coleman-Porter

National Equity Investment Manager, Kevin Nowak  
Nationwide Children's Hospital, Angela Mingo  
Neighborhood Progress Inc. – Cleveland, Linda Warren  
NHS of Greater Cleveland, Michael Pires  
NRP Group, Aaron Pechota  
Ohio Capital Corporation for Housing, Hal Keller  
Ohio Capital Corporation for Housing, Melanie Shapiro  
Ohio CDC Association, Nate Coffman  
Ohio Conference of Community Development, Jack Riordan  
Ohio Department of Developmental Disabilities, Ted Jones  
Ohio Department of Medicaid, Jen Welsh  
Ohio Department of Mental Health and Addiction Services, Doug Bailey  
Ohio Development Services Agency, Michael Hiller  
Ohio Ex-offender Reentry Coalition, Darryl Graves  
Ohio Home Builders Association, Kristen Klaus  
Ohio Home Builders Association, Vincent Squillace  
Ohio Housing Council, Laura Swanson  
Ohio Mortgage Bankers Association, Marianne Collins  
Ohio Statewide Independent Living Council, Mary Butler  
Ohio Statewide Independent Living Council, Kay Grier  
Park National Bank, Gail Blizzard  
Toledo LISC, Kim Cutcher  
U.S. Bank, Lou Caresani  
U.S. Department of Agriculture Rural Development, Gerald Arnott  
U.S. Department of Housing and Urban Development, Tom Leach  
United Healthcare, Jeffrey Corzine  
United Way of Central Ohio, Ryan Edwards  
Urban League, Stephanie Hightower  
US Bank, Keesha Lawrence  
Veteran Affairs, James Kennelly  
Wallick Homes, Tim Swiney  
Woda Management & Real Estate LLC, Jodelle Carder



## ***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 workgroups involved key staff from all functional levels of the organization including executive leadership, program managers and front-line associates who have direct involvement in the day-to-day programs and operations.

### ***Executive Staff***

Sean Thomas, Executive Director  
Kelan Craig, Director of Planning, Preservation and Development  
Jim Durham, Director of Homeownership  
Timothy Glasser, Director of Debt Management  
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  
Molly Moses, Director of Communications & Marketing  
Brenda Walker, Director of Internal Audit  
Donald West, Chief Financial Officer  
Ashley Young, Director of Mortgage Funding

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

Lathania Butler, Strategic Planning and Policy Analyst  
Bryan Grady, Ph.D., Research Analyst

### ***Homeownership and Homeownership Preservation***

Andi Clark, Bond Accountant Coordinator  
Jonathan Duy, Real Estate Relations Manager  
Cleo Evans, Bond Account Coordinator  
Marc Gardner, Hardest Hit Fund Data Analyst  
Erin Higgins, Homeownership Operations Manager

Holly Swisher, Operations Manager  
Tom Walker, Business Relations Manager

### ***Planning, Preservation and Development***

Sylvia Accountius, Housing Grant Analyst 2  
Diane Alecusan, Business & Project Administration Manager  
Carlie Boos, Program and Policy Manager  
Kevin Clark, Project Portfolio Manager  
Celia Elkins, Planner 2  
Deborah Leasure, Planner 3

### ***Program Compliance***

Patty Blair, Housing Examiner  
Clarissa Collins, Housing Examiner  
Robin Dotson, Housing Examiner  
Athena Lunsford, Compliance Team Manager

### ***Finance***

Anthony Tai, Assistant Director of Finance

### ***Human Resources***

Kathleen Nichols, Employee Development Manager

### ***Information Technology***

John Toth, Software Development Specialist 3  
Maggie Yin, Software Development Specialist 3

### ***Internal Audit***

Rita Mitchell, Staff Auditor

## **Review and Consideration of Public Feedback**

The Annual Plan attempts to balance advocacy, policy creation and engagement with stakeholders and partners to identify housing needs and priorities in Ohio. Described below are the public meetings and outreach efforts OHFA conducted to develop the FY 2018 Annual Plan.

### ***Stakeholder Feedback***

During this annual plan cycle, OHFA introduced an innovation geared toward increasing the stakeholder engagement in the planning process. On March 22, 2017, the Agency launched a campaign to crowdsource ideas for addressing Ohio's most pressing housing needs. Codigital, an online collaboration tool, allowed stakeholders to contribute ideas and interact with the ideas of other contributors. The campaign lasted three weeks.

OHFA contacted 470 stakeholders – including civil servants, developers, property managers, real estate agents, mortgage lenders and non-profit leaders – inviting them to participate in the Codigital campaign. In response, 84 stakeholders contributed 51 ideas, proposed 43 edits to the contribution of others, and voted for preferred ideas 2,487 times.

### ***Public Comment Period***

Each year, the public has the opportunity to provide feedback on OHFA's annual planning process. A formal Annual Plan comment period was held between Wednesday, May 3, and Monday, June 5, 2017.

### ***Annual Plan Advisory Board Meeting***

On Wednesday, May 3, 2017, OHFA conducted its annual meeting with the Annual Plan Advisory Board. This group is comprised of stakeholders in the public, private and non-profit sectors who advise Agency leadership on the prioritization of housing needs and helps the Agency better understand the full spectrum of housing challenges throughout Ohio.

### ***Annual Public Hearing on OHFA Programs and Annual Plan***

On Wednesday, May 17, 2017, OHFA conducted its public hearing on OHFA programs and the Annual Plan. The yearly hearing gives the public an opportunity to voice opinions on all aspects of OHFA's programs and affairs directly to the OHFA Board.

### ***Annual Plan Adoption***

The Annual Plan was adopted by the OHFA Board on Wednesday, June 21, 2017, and took effect July 1, 2017. The document outlines priorities, goals and implementation actions that apply to OHFA programs and activities.

## **Annual Planning Process**

### ***Internal Assessments***

Starting in 2016, the OHFA Board and senior staff began engaging in a long-term strategic planning process with a multi-year outlook, FY 2018 to FY 2020, to direct the future of the Agency. The Office of Affordable Housing Research and Strategic Planning led the planning activities and facilitated the development of this effort.

This planning process began by bringing the Board and staff together to identify opportunities for improvement, generate ideas and prioritize housing needs. Using a number of collaborative planning tools, feedback concerning the Agency's direction and current performance was analyzed and sorted into related themes. These themes were used to formulate the four strategic priorities outlined in this plan.

The FY 2018 Annual Plan was updated beginning in January 2017, working within five 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 realities, new programming and policy changes.

### ***Fiscal Year 2018 Opportunities and Challenges***

- Due to the potential for tax reform legislation, there has been growing uncertainty in the investor market affecting the pricing of Housing Tax Credits. Additionally, the availability of gap financing resources could also be impacted by the upcoming federal budget process. OHFA will continue to respond to these challenges and work with partners to ensure investment in affordable housing across the state. Staff will monitor regulatory activity at the U.S. Department of Housing and Urban Development (HUD) and federal tax reform proposals in Congress as the new administration clarifies budgetary and tax priorities.
- HUD approved Ohio's 2016 National Housing Trust Fund Allocation Plan and released approximately \$3.8 million in funding for that program. OHFA anticipates hosting its first funding round with the June 2017 Housing Development Assistance Program applications. Created in coordination with our affordable rental housing partners, this plan distributes funding based on the priority housing needs designated by HUD and Ohio's Consolidated Plan including housing affordability for extremely low-income renters and geographic diversity.
- OHFA has partnered with the Kirwan Institute for the Study of Race and Ethnicity at The Ohio State University to expand its opportunity mapping tool from six urban counties to the entire state for inclusion in the 2018-2019

Qualified Allocation Plan (QAP). The use of this tool will allow OHFA to increase alignment with state and federal initiatives to affirmatively further fair housing by encouraging development to deconcentrate poverty and maximize equitable outcomes for low-income households.

- The Agency will continue its collaboration with the Ohio Department of Medicaid (ODM) by participating in its Subsidy Demonstration Program, which serves extremely low-income persons with disabilities who are exiting facility-based settings and require accessible, affordable housing. OHFA awarded ODM subsidies to three developments in the 2016 Housing Tax Credit round. This program will supply \$3 million in 15-year operating subsidies in conjunction with the 2016-17 and 2018-19 QAPs.
- The Agency continues to take steps to develop cost containment strategies while continuing to promote the investment of affordable housing located in high opportunity communities.
- Thousands of units of affordable housing funded using Housing Tax Credits will enter extended use in the coming years. The Office of Program Compliance will explore approaches to improve monitoring and managing these assets in partnership with property owners and managers and other relevant stakeholders.
- OHFA will continue to explore options for streamlining the processes involved in post-allocation interaction with multifamily projects in order to increase efficiency, accountability, and attention to impact.
- The Offices of Mortgage Funding, Debt Management, Homeownership, and Finance will continue looking at sources, options, and vehicles for funding the Homebuyer Program's down payment assistance in a manner that is economical to both borrowers and the Agency.
- With declines in foreclosure and unemployment rates, direct mortgage payment assistance programs are underutilized. OHFA will continue collaborative efforts with counseling agencies across the state to ensure those in need of assistance are helped. Identifying homeowner needs and finding the appropriate balance within the Office of Homeownership Preservation between direct homeowner assistance and blight elimination will be imperative over the forthcoming years.
- The Office of Communications and Marketing will continue its effort to build OHFA brand awareness through direct communication the public and through strong working relationships with the press statewide.

## Housing Needs Assessment

As part of OHFA's Annual Plan, the Office of Affordable Housing Research and Strategic Planning is tasked with identifying the scale and scope of the state's housing challenges. This document is more than a legal obligation, however; it pulls together information from a variety of sources and disciplines to build a picture of where and how Ohioans live. These data inform documents like the Qualified Allocation Plan (QAP) and other OHFA policymaking to help ensure that every Ohioan has access to safe, affordable housing.

### *Demographics*

As of July 1, 2016, the U.S. Census Bureau estimated Ohio to have 11,614,373 residents. For the first time in the state's history, Franklin County had the highest population; Cuyahoga County held that distinction since the 1900 Census, while Hamilton County had done so throughout the 19th century. Much of central Ohio, as well as other suburban counties (especially Warren), have added population faster than the state as a whole, while rural counties – particularly in Appalachia and north central Ohio – have lost substantial shares of their population in this decade alone. Overall, 64 of 88 counties have seen their population decline since 2010.

Ohio contains all or part of 18 federally defined urban areas, which are contiguous regions that have at least 50,000 people and a density of over 1,000 people per square mile. Columbus has the highest population density (2,761), while Lima has the lowest (1,334); the state as a whole has 283 people per square mile, a figure that drops to 107 outside of the urban areas.

Overall, the median Ohioan is 39 years old. This varies dramatically across the state, however. With its large student population, Athens County is the youngest in the state, with the typical resident being only 28, while the median resident of Noble County is 50 years old. The largest shares of the state's population are people in their 50s, followed by teenagers and young adults aged 15-24. Delaware County has the highest share of households that are families with children (40%), followed by Holmes County; counties on or near the state's eastern border tend to have the lowest shares.

Just over one-third of Ohioans 25 or older holds a college degree (Associate's or higher). This share is higher in wealthier suburban communities and lower in distressed urban and rural areas alike. Unsurprisingly, academic performance among public school students is improved in areas with better adult educational attainment. Those left behind leave the system in large numbers; an average of over 23,000 high school students drop out of school every year.

Finally, the state's prison system holds just over 50,000 Ohioans. The average sentence is 28 months, and one percent of inmates have a sentence of death or life without parole, meaning that the vast majority of those incarcerated will re-enter the community. Nearly 24,000 Ohioans exited state prisons in 2016.

## ***Economics***

Ohio's labor force consisted of 5.7 million people in 2016, or 62.5% of individuals aged 16 and older – five out of eight. This figure, the labor force participation rate, went up for the first time since 2007, albeit by only a tenth of a percentage point. Though there is good reason to be worried about people dropping out of the workforce, a large share of those leaving the labor force consists of older Baby Boomers entering retirement.

Ohio's unemployment rate – the share of the labor force currently out of work and looking – was 4.9% in 2016, unchanged from 2015, and still the lowest since 2001. As with many things in this report, such figures vary widely across the state. Mercer County had an unemployment rate of 3.2%, the lowest in Ohio; nine others reported rates below 4%. On the other hand, Monroe County is experiencing severe economic distress, with an unemployment rate of 10.9% – higher than the statewide figure in any year since 1983. While no other county is quite as challenged, above-average unemployment is deeply concentrated in the 32 federally designated Appalachian counties.

The median Ohio worker earns \$17.19 per hour. By occupation, wages ranged from \$9/hour among food prep workers to \$45/hour for those in management positions. Office and administrative workers represented 15 percent of Ohio's workforce, or more than 800,000 people; occupation groups disproportionately located in Ohio are production and healthcare support jobs.

Wages also varied geographically. Among workplaces in Hamilton County, the average job pays \$1,098 per week; jobs in Hocking County pay barely half as much (\$559 per week). The highest wages are generally in urban and suburban counties, while southeast Ohio has the lowest wages. Looking at median household income, a similar trend emerges, though incomes are highest in outlying counties, reflecting wealthy workers who live in the exurbs but work in the urban cores.

Fifteen percent of Ohioans and 21% of Ohio children live below the federal poverty line – an income of \$12,060 for a single adult and \$4,180 for each additional household member. The highest rate is in Athens County (31%), though college students skew this figure; the lowest rate is in Delaware County (4%). While income trends described above hold for adults, many urban counties have rates of child poverty much above the state average, particularly Lucas (29%). These

figures are generally in line with national averages, though poverty rates for children aged 0 to 4 are notably higher, and are still above pre-recession levels despite declines in recent years.

Similarly, 15% of Ohio households receive aid from the Supplemental Nutrition Assistance Program (SNAP), i.e., food stamps. SNAP use is more prevalent in the south central part of the state. Additionally, over 2.5 million Ohioans – 22 percent of the state’s residents – were enrolled in Medicaid in February 2017; about a quarter of this total are “Group 8” enrollees, low-income adults without children who are eligible via Medicaid expansion.

Last, nearly 2,500 shale oil and gas wells have been permitted in the state; of these, 95% are situated in an eight-county region in east central Ohio.

### ***Race and Ethnicity***

Nearly one-fifth (19.7%) of Ohioans belong to a racial or ethnic minority group. For many reasons, including both *de facto* and *de jure* segregation, racial and ethnic minorities are often geographically concentrated and have substantially different housing experiences than non-Hispanic whites. Many exurban and rural areas are almost exclusively white, while African-Americans overwhelmingly reside within metropolitan areas, particularly their urban cores. Hispanic Ohioans are also disproportionately represented in urban areas, but also reside in substantial numbers in the northwest portion of the state, working in the agricultural sector.

Overall, the median income of households headed by non-Hispanic whites (\$53,074) is nearly twice that of African-Americans (\$28,003); all racial and ethnic minorities, excepting Asians, have incomes substantially below those of the majority. Similar disparities exist with respect to rates of homeownership, as non-Hispanic white householders are roughly twice as likely as African-American householders (71.9% vs. 36.4%).

As part of its Final Rule on Affirmatively Furthering Fair Housing (AFFH), the U.S. Department of Housing and Urban Development (HUD) designated 156 census tracts in Ohio as Racially/Ethnically Concentrated Areas of Poverty (RCAP/ECAP), which are areas with high minority populations and very low household incomes. About 320,000 Ohioans live in these neighborhoods.

### ***Housing Stock and Tenure***

Ohio’s rate of homeownership has remained above the national average (66.4% vs. 63.7% in the fourth quarter of 2016), though both have generally declined since 2005. A typical Ohio homeowner is older, more likely to be married and more likely to live in a larger household than the average Ohio renter.

Ohio has 5,140,902 housing units. More than two-thirds of these units are single family detached homes; this figure ranges from 54% in Franklin County to 86% in Geauga County. About four percent are mobile homes; the rest are attached or multi-unit structures. Overall, 53 percent of all housing units statewide are single, owner-occupied, detached homes.

Twenty-one percent of Ohio housing units were built over 75 years ago; only 11 percent were built since 2000. Given the realities of the 2008 housing crisis, this decline in production is unsurprising. However, aging housing stock may have implications for maintenance and rehabilitation costs Ohio property owners face.

Between 2009 and 2013, over 100,000 households were living in functionally substandard housing in Ohio. Their homes had incomplete kitchen and plumbing facilities and/or overcrowded conditions. These households were disproportionately low-income, though over half earned more than 50% of area median income (AMI).

More than a tenth of housing units in Ohio are vacant. Vacancy rates range from 4% in Delaware County to 38% in Ottawa County, and are generally highest in east central Ohio and vacation areas with seasonal properties.

### ***Homeownership Market***

Over 186,000 homes were sold in Ohio in 2016. Home price appreciation has continued, with a typical sale statewide coming in at just less than \$120,000. This is an all-time high on a nominal basis, but well below 2000 levels on an inflation-adjusted basis. The median home in Ohio is worth just under \$130,000, though this varies widely across the state, ranging from \$81,000 in Vinton County to \$256,800 in Delaware County.

Statewide, 90-day mortgage delinquency hit a peak of 7.58% in January 2010; foreclosures peaked at 3.65% two years later in January 2012, even as unemployment rates and other economic indicators began to improve. Thankfully, these have declined substantially in the years since to 3.28% and 1.09%, respectively; though this represents a major improvement, both figures are still above what they were before the bubble years and subsequent crash. Similarly, the share of homes that are underwater has declined from nearly 27% in 2013 to just over 9% today. Ohio is marginally worse than the national average on all three metrics.

OHFA has worked to make homeownership more affordable and sustainable in Ohio by helping over 41,000 households purchase a home in the past decade



and demolish nearly 5,000 homes to stabilize property values and mitigate the risk of foreclosure.

### ***Housing Affordability***

Median monthly gross rent (i.e., including utilities) in Ohio is \$730. The amount of money required to rent a typical apartment ranges widely by county, from \$541 in Meigs to \$953 in Delaware. Overall, nearly half of renter households in Ohio experience housing cost burden; the median tenant pays 29.5% of their income toward rent and utilities, just below the standard 30% threshold. This figure also varies by county, from a low of 22.6% in Holmes to a high of 40.6% in Athens. Renters aged 65 and older are slightly more likely to experience housing cost burden than other age groups.

Over a quarter of Ohio renters – nearly 400,000 households – are experiencing severe housing cost burden. This means a household either is paying more than half of their income in gross rent or has no income at all. Nearly three-quarters of extremely low-income renters – those earning 30% of AMI or less – fall within this category. The problem of severe housing cost burden is more prominent in most Ohio urban areas, but also a number of rural communities as well. For these households, their ability to afford basic expenses such as food, healthcare, and transportation are severely compromised. This no doubt contributes to the nearly 110,000 eviction cases filed in Ohio's municipal and county courts in 2015, or 71 for every 1,000 renter-occupied units statewide.

The median Ohio household with a mortgage pays \$1,246 for housing, including principal, interest, taxes, insurance, utilities and condominium or mobile home fees (if applicable). This figure ranges from \$837 in Monroe County to \$1,962 in Delaware County, though the share of income this represents is fairly consistent statewide; the state median is 21.2%. Nearly a quarter of homeowners are housing cost burdened; nine percent – about 275,000 households – spend more than 50% of their income on housing and utilities.

### ***Subsidized Housing***

Statewide, 14 percent of rental units are receiving some form of project-based subsidy from the federal government. Just over 87,000 units that received OHFA funding are active, meaning that they are being monitored by the Agency's Office of Program Compliance in accordance with federal and/or state regulations. In addition, nearly 132,000 further units received capital funds from HUD or the U.S. Department of Agriculture (USDA). Every county except one (Monroe) has at least 100 assisted rental units; Cuyahoga has the most in the state, with 34,383.

In considering the provision of affordable housing relative to the number of very-low income renters (i.e., those earning 50% of AMI or less), it becomes clear that the supply of affordable housing is often far outstripped by demand. Statewide, there are only enough subsidized units in seven of 88 counties to serve families; the available supply satisfies just 65% of demand. Similarly, only eight counties have enough assisted units to serve older adults, but the depth of the issue is more severe; available supply meets only 44% of demand. Monroe County has only enough subsidized units to house 15% of very low-income renter families; Knox, Holmes, Tuscarawas and Fairfield Counties are in similar circumstances. Lorain County only has enough assisted units to serve 12% of very low-income seniors; Coshocton and Warren counties are close behind.

### ***Homelessness***

On a single night in January 2016, volunteers counted 10,404 Ohioans living either in homeless shelters or on the streets, down more than a quarter from a similar count in 2012. Even sharper declines were registered in populations of interest, including a 44% decline in homelessness among families and a 61% drop in chronic homelessness. This is due in large measure to the work done by local continuums of care – eight countywide entities in the state’s urban cores and the Balance of State Continuum of Care covering the remaining 80 counties. It is worth noting, however, that due to the inherently transitory nature of those without stable housing conditions, that the actual count of homeless persons is almost certainly much higher.

As part of those efforts, to help stabilize the lives of those who had previously experienced homelessness, there has been a substantial increase over the past decade in the number of permanent supportive housing (PSH) units, from fewer than 10,000 in 2008 to nearly 17,000 in 2016. OHFA has contributed to this work by helping fund 2,790 PSH units since 2010.

Last, the federal McKinney-Vento Act requires school districts to determine and report how many students are in precarious housing conditions – not only homelessness as defined above, but also children without a permanent residence living with friends or extended family, i.e., “doubling up” or “couch surfing.” Ohio identified 19,450 public school students in such circumstances during the 2015-2016 school year, or about one out of 90 students statewide. This proportion is often much higher in distressed areas, both urban and rural; Hillsboro City (Highland County), Switzerland of Ohio Local (Monroe County) and Toledo City (Lucas County) all reported that over 10 percent of their students were housing insecure.

## ***Physical and Mental Disabilities***

Nearly 14 percent of Ohioans have some form of disability – more than 1.5 million people. This includes individuals who have difficulty with hearing, vision, cognition, ambulation, self-care, and/or independent living. The highest rates of disability are found in south central Ohio, where several counties have more than one in five residents with one or more disabilities.

Nearly a quarter million Ohioans receive Supplemental Security Income, or disability pay from the federal government; of these, 65 percent of claimants have mental disorders that prevent them from gaining or maintaining employment, as compared with 35 percent with a physical disability.

One of our state's most pressing challenges is the epidemic of opioid abuse. More than 3,000 Ohioans died of drug overdoses in 2015, or 26.3 per 100,000 people; this is an increase of more than 20% from 2014 figures and is nearly twice the 2010 rate. Overdose deaths have been most prevalent in recent years in the southwest part of the state.

Medicaid has successfully transitioned over 9,000 individuals from institutional settings into the community through its HOME Choice program, which both improves quality of life for persons with physical or mental disabilities and older adults and reduces taxpayer expense. More than 2,000 persons cared for in Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID) are able to do so as well, but are on a waiting list for a Medicaid Waiver that would enable such a move.

## ***Infant Mortality***

Another dire policy challenge in this state is the issue of infant mortality. On average, in 2015, 7.2 out of every 1,000 live births did not reach their first birthday, compared with 5.9 per 1,000 nationally. Ohio has the 11th highest rate of death in the country, tied with North Dakota and West Virginia. Further, there is a severe racial disparity, with black infants dying at a rate nearly three times that of their white counterparts. Geographically, rates are highest in the southern tier of the state, as well as in Cuyahoga County, though county-level data masks the severe disparities that exist between neighborhoods.

In 2014, the Kirwan Institute for the Study of Race and Ethnicity at The Ohio State University mapped census tracts in eight urban counties that qualified as "hotspots" for infant mortality; these neighborhoods experienced rates of infant death two to three times higher than surrounding areas. These are generally deeply impoverished neighborhoods that are often largely inhabited by minority

populations; indeed, there is substantial overlap between these hotspots and the RCAP/ECAP areas.

### ***Older Adults and Veterans***

More than 15 percent of Ohioans are aged 65 or older. Among counties, Noble has the largest share of residents over 65 (22.3%), followed closely by Monroe and Ottawa; Franklin has the smallest (10.6%). Statewide, one in nine households consist of a single adult aged 65 or older living alone. This rate is at least one in seven in Richland, Jefferson, and Mahoning Counties, while it is less than half that in Delaware County, where only 7% of households fall into this category.

This proportion of older Ohioans is expected to continue to increase, by 2040, 24 percent of Ohio residents will be aged 65 or older. Further, a larger share of these individuals will have a physical or cognitive impairment; 10.5 percent of those aged 60 or older by 2030 will be in this group. Central and southwest Ohio will continue to have fewer older adults than the state as a whole, while most rural areas – particularly those in the eastern part of the state – will have higher than average proportions of older Ohioans.

Households headed by older adults have particularly high rates of housing problems – cost burden, overcrowding, and/or inadequate facilities. Among those who own their homes, 24% of those aged 62 to 74 and 26% of Ohioans 75 or older are experiencing one or more of these conditions, though these rates are over 80 percent among extremely low-income households (at or below 30% AMI). Housing problems are more than twice as common among renters, with 47% of those aged 62 to 74 and 56% of those 75 or older in these categories.

Importantly, many homes occupied by older adults are not conducive to people who may experience increased mobility impairment as they age. Nationwide, 9% of homes including a person 65 or older are livable for someone who has an ambulatory difficulty; among those who already have such challenges, the proportion is barely one in seven. Most homes that house older occupants with mobility challenges (56%) cannot reasonably be modified to accommodate such residents. This raises substantial safety concerns.

These issues often intersect with another population of interest: veterans. Nearly half (47%) of all veterans are aged 65 or older. While veterans tend to be better off economically than those who did not serve, they are almost twice as likely to have a disability (28% vs. 15%), and veterans with disabilities are more likely to be living in poverty. Nearly 95,000 Ohio households headed by a veteran aged 55 or older experienced housing cost burden in 2012, more than a fifth of such households, though this is a lower share than the non-veteran population.

Younger veterans are also a population of concern, however. Also in 2012, there were over 27,000 post-9/11 veterans living in Ohio's three largest metropolitan areas; typical incomes were insufficient to purchase a home, and in Cleveland and Columbus were insufficient to afford a one-bedroom apartment at fair market rent.

Veterans are also more than twice as likely to take their own life. Death rates from suicide were 35 per 100,000 people among veterans nationally and 15 per 100,000 among non-veterans. This gap has only widened in recent years; the suicide rate among male veterans is up 30% since 2001, while comparable figures for non-veterans are unchanged.

## Strategic Priorities

The following strategic priorities provide a framework for OHFA's ongoing performance management efforts in Fiscal Years 2018-2020. These priorities focus on collaborative efforts with our public, private and non-profit partners to promote access to quality affordable housing across the state. These priorities frame OHFA's efforts to address the shortage of safe, decent, affordable housing opportunities that many Ohioans face.



***Expand and preserve affordable housing opportunities through the continued development and administration of OHFA's core programs.***

OHFA's core programs – Housing Tax Credit, Homebuyer and foreclosure prevention – not only support the Agency financially, but also fill critical housing needs across the state. The continued success of these programs is essential to the development of affordable housing in Ohio. OHFA remains committed to programmatic excellence and exploration of ways to improve the delivery of financing tools and services to our housing partners.

***Focus efforts on customer-driven, sustainable multi-sector solutions to promote public health, welfare, and prosperity of the people of the state through the production and preservation of affordable housing.***

Strong partnerships with state agencies and other organizations in non-housing sectors are vital to serving those most in need of affordable housing. These partnerships will improve OHFA's ability to positively affect economic, social and health outcomes of residents living in OHFA-funded multifamily units. In addition, vulnerable populations often need sustainable, customer-driven programming that complement affordable housing to improve their quality of life. OHFA intends to use housing as a platform to leverage resources to support residents and communities.

***Promote awareness of affordable housing programs in Ohio to external stakeholders and citizens.***

OHFA has worked since 1983 to meet the housing needs of hundreds of thousands of Ohioans, but there are still many families and individuals in all corners of the state in need. As part of this effort, OHFA must continue to engage in productive public discourse – with industry stakeholders, public officials and Ohio taxpayers alike – about our programs and policies. Further, OHFA will maintain its high standard of service for all customers who interact with the Agency and benefit from its programs.

***Strengthen OHFA's culture to encourage personal and professional growth, innovation and collaboration among all staff to advance OHFA's mission.***

Experts have observed and documented a direct correlation between a healthy workplace culture and the success of an organization. Engaged employees are those who are actively involved in advancing organizational goals. This strategic priority focuses on initiatives that drive a high level of employee engagement: encouraging professional growth, setting goals aligned with the Agency's mission, meaningfully connecting with employees, recognizing high performance and encouraging new ideas.

## Fiscal Year 2018 Initiatives

Expand and preserve affordable housing opportunities through the continued development and administration of OHFA's core programs.

*OHFA's core programs – Housing Tax Credit, Homebuyer and foreclosure prevention – not only support the Agency financially, but also fill critical housing needs across the state. The continued success of these programs is essential to the development of affordable housing in Ohio. OHFA remains committed to programmatic excellence and exploration of ways to improve the delivery of financing tools and services to our housing partners.*

### **1.1 Continue the production of new affordable rental housing units.**

OHFA will continue to produce new affordable housing rental units through the Housing Tax Credit program. While there is much discussion on the budget and policy fronts, the Agency will continue to maximize the impact of limited resources through the effective allocation of funding.

### **1.2 Continue efforts to preserve the affordable rental housing stock at risk of no longer being affordable in developments contributing to a concerted community revitalization plan.**

OHFA will emphasize the need for preservation of affordable housing developments in a way that contributes to concerted community revitalization plans. Local economic context must be considered if affordable housing is to contribute to the holistic improvement of the welfare of low-income residents.

### **1.3 Increase efforts to contain development costs in furtherance of maximizing the impact of OHFA's limited resources.**

OHFA has a fundamental obligation to monitor trends in construction and development costs, promote efficient utilization of resources and reduce unnecessary expenses to extend the impact of our limited funding programs. In the coming years, OHFA will work to increase cost transparency and partner accountability while appropriately accounting for the needs of our residents and ensuring that high quality, durable materials are used to protect long-term housing investments.



***1.4 Explore objective measures of performance for OHFA's rental housing portfolio and encourage accountability through the clear communication of expectations and the improvement of enforcement mechanisms.***

Maintaining the condition of affordable housing is central to the mission of the Agency. OHFA commits to ensuring that rental housing receiving Agency funds is safe, decent, and affordable for the life of the project. OHFA will take steps to clarify and communicate expectations to all partners and develop consistent and fair enforcement mechanisms.

***1.5 Expand utilization of the Multifamily Lending Program in order to support investment in affordable housing across the state.***

The Multifamily Lending Program (MLP) provides gap financing to developers engaged in affordable housing provision. MLP revenues allow OHFA to maintain the operation of mission-oriented programming. The expansion of this program will provide a low-interest, cost-effective product to developers seeking favorable funding opportunities.

***1.6 Strengthen the rental housing portfolio through the expansion of asset management capacity.***

OHFA's Office of Program Compliance strives to encourage maintenance of quality housing for the entire life of an affordable housing project. In order to support the maintenance of assets, OHFA will continue to develop systems of early identification for challenged assets and will also standardize methods of intervention and support. Technological improvements, training and one-on-one communication with property owners will all play a role in the expansion of OHFA's asset management capabilities.

***1.7 Build on the success of the Homebuyer Program by increasing current loan volumes and expanding service to Ohioans interested in purchasing homes for rehabilitation.***

The Office of Homeownership has experienced substantial growth in its Homebuyer Program over the past several years. OHFA will continue to stimulate increased activity through exploration of new financing mechanisms, reentry into the bond market and the introduction of a purchase-rehab mortgage product to expand the offerings and reach of OHFA's programs. Additionally, OHFA will explore strategies for sustainably supporting homebuyers with lower incomes through the potential development of financial coaching.

***1.8 Maintain and strengthen the resource structures that allow OHFA to provide down-payment assistance and increase access to homeownership.***

Due to the renewed success of OHFA's Homebuyer Program, there is now a need to strengthen the resources that allow OHFA's mortgage programs to include down payment assistance. The Offices of Mortgage Funding, Debt Management, Homeownership, and Finance will work to examine financing strategies to continue offering this assistance to homebuyers throughout the state at an economical and affordable price.

***1.9 Improve the customer experience of homebuyers through technological updates that will improve program performance.***

The success of OHFA's Homebuyer Program has also highlighted the need to increase efficiency through improved technological integration. Specifically, the Office of Homeownership will explore options that decrease loan processing times, increase customer online interaction, and improve quality data collection. The goal is to improve customer experience while operating within OHFA's current staffing capacity.

***1.10 Provide resources and tools that will contribute to the decline of foreclosure rates to promote sustainable homeownership and further strengthen Ohio's communities under the current Hardest Hit Fund program.***

Although the housing market has improved in recent years, many homeowners and communities are still recovering from the housing crisis. OHFA continues to assist homeowners who are dealing with employment interruptions through the Save the Dream Ohio program. For communities still working to stabilize property values, the Neighborhood Initiative Program provides financial support to county land banks for blight elimination.

***1.11 Research opportunities for development of foreclosure prevention strategies beyond the administration of Hardest Hit Fund programs.***

Save the Dream Ohio has helped tens of thousands of Ohioans stay in their homes and the Neighborhood Initiative Program has contributed to the stabilization of property values in neighborhoods all over the state. Now, as OHFA continues to administer Hardest Hit Fund programs, for which existing federal funding is due to expire in 2020, OHFA will explore opportunities to continue providing foreclosure prevention once federal support has ended.

Initiative	Housing Needs Addressed			
	Access	Affordability	Quality	Service to vulnerable populations
1.1	✓	✓	✓	✓
1.2	✓	✓	✓	✓
1.3	✓	✓	✓	
1.4	✓	✓	✓	
1.5	✓	✓	✓	✓
1.6	✓		✓	
1.7	✓	✓	✓	
1.8	✓	✓		
1.9	✓			
1.10	✓	✓		✓
1.11		✓		

Focus efforts on customer-driven, sustainable multi-sector solutions to promote public health, welfare, and prosperity of the people of the state through the production and preservation of affordable housing.

*Strong partnerships with state agencies and other organizations in non-housing sectors are vital to serving those most in need of affordable housing. These partnerships will improve OHFA's ability to positively affect economic, social and health outcomes of residents living in OHFA-funded multifamily units. In addition, vulnerable populations often need sustainable, customer-driven programming that complement affordable housing to improve their quality of life. OHFA intends to use housing as a platform to leverage resources to support residents and communities.*

***2.1 Create and support access to affordable housing in areas of high opportunity to expand housing choices for low- and moderate-income persons.***

OHFA will seek to increase alignment with state and federal initiatives to affirmatively further fair housing by encouraging development of affordable housing in areas that have strong, vibrant, healthy communities. OHFA will continue its partnership with the Kirwan Institute for the Study of Race and Ethnicity at The Ohio State University to expand the Opportunity Mapping Tool from six urban counties to the entire state.

***2.2 Advance living standards through the strategic investment of resources to encourage the design of healthy housing for all Ohioans.***

The Qualified Allocation Plan (QAP) is the biennial blueprint for how Housing Tax Credits will be allocated throughout the state and the primary tool through which OHFA affects multifamily housing policy. In upcoming planning for the 2018-2019 QAP, OHFA will reevaluate cost containment measures to ensure accountability and efficiency in the distribution of this limited resource while maintaining our commitment to high quality, durable design and construction standards while increasing our footprint in high opportunity areas.

***2.3 Cultivate strong partnerships with organizations interested in leveraging funding and support for multi-sector approaches to increasing access to affordable housing.***

OHFA will reach outside the housing sector to leverage available financing tools, furthering the development of housing solutions that lead to positive outcomes including improved health, higher quality education and more comprehensive community development.

**2.4 Join efforts to reduce Ohio’s infant mortality rate by making strategic housing investments that assist in addressing the needs of vulnerable families.**

The Ohio Department of Health reported that, in 2015, 7.2 in every 1,000 infants died before their first birthday, a rate well above the national average. OHFA will contribute to efforts to improve low birth weight and infant mortality rates in Ohio through strategic partnerships with established organizations and partners.

Initiative	Housing Needs Addressed			
	Access	Affordability	Quality	Service to vulnerable populations
2.1	✓	✓	✓	
2.2	✓		✓	✓
2.3	✓	✓	✓	✓
2.4	✓	✓	✓	✓

Promote awareness of affordable housing programs in Ohio to external stakeholders and citizens.

*OHFA has worked since 1983 to meet the housing needs of hundreds of thousands of Ohioans, but there are still many families and individuals in all corners of the state in need. As part of this effort, OHFA must continue to engage in productive public discourse – with industry stakeholders, public officials and Ohio taxpayers alike – about our programs and policies. Further, OHFA will maintain its high standard of service for all customers who interact with the Agency and benefit from its programs.*

***3.1 Explore strategies for improving communication with residents to encourage higher levels public engagement in the affordable housing policy and implementation process.***

Although OHFA partners with many organizations, the residents of OHFA-funded rental properties are truly the focus of our mission and programming. OHFA will work with our industry partners to ensure the opinions and needs of our residents are considered in the development of allocation policies and throughout our day-to-day work.

***3.2 Expand marketing and outreach efforts to raise brand awareness about OHFA and its core programs with potential customers.***

By shifting to a year-round advertising approach, the Office of Communications and Marketing will implement a more comprehensive marketing strategy that will not only reach new and existing customers, but also highlight and outline the work of the Agency in outreach to the media and our partners. These efforts will expand to include publications and updates from all Agency program offices. Positive brand awareness will be achieved by consistently framing a more complete representation of the work accomplished and dollars spent helping Ohioans through OHFA programs.

***3.3 Continue to provide training and technical assistance to strengthen multifamily housing industry partnerships.***

The Agency's Offices of Planning, Preservation and Development and Program Compliance provide training and support for organizations that partner with OHFA in implementing multifamily programs. The continued development of training programs and other supports will help to establish clarity of mission and expectations to improve outcomes achieved by all parties involved. Resources will be channeled toward ensuring that these programs are meeting the needs of evolving demands.

**3.4 Strengthen relationships with lenders and real estate agents through the offering of high-quality training programs.**

Engagement and continuing education of lenders and real estate agents are critical to the success of OHFA’s Homebuyer Program. We rely on these partners to represent our products and our process well because OHFA does not lend directly to homebuyers. In order to support their development, the Agency will continue to improve training programs in ways that increase participation, engagement and technology utilization.

Initiative	Housing Needs Addressed			
	Access	Affordability	Quality	Service to vulnerable populations
3.1	✓	✓	✓	✓
3.2	✓			
3.3			✓	
3.4	✓	✓		

Strengthen OHFA's culture to encourage personal and professional growth, innovation, and collaboration among all staff to advance OHFA's mission.

*Experts have observed and documented a direct correlation between a healthy workplace culture and the success of an organization. Engaged employees are those who are actively involved in advancing organizational goals. This strategic priority focuses on initiatives that drive a high level of employee engagement: encouraging professional growth, setting goals aligned with the Agency's mission, meaningfully connecting with employees, recognizing high performance and encouraging new ideas.*

***4.1 Identify and provide training and development alternatives that are tailored to strengthen employee skills and encourage professional growth.***

OHFA recognizes the importance of creating opportunities for employees to excel and build new capabilities. In order to facilitate the building of these capabilities, OHFA will provide training and development alternatives tailored to the needs of Agency staff.

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

Employees are more likely to be engaged if managers set goals aligned with the mission, meaningfully connect with employees, provide feedback, recognize employees for their talent performance and capabilities and encourage professional growth. OHFA will provide managers with tools that help foster a high level of employee productivity and commitment to the Agency's customers and mission.

***4.3 Communicate a culture of employee engagement.***

Enhancing employee engagement is recognized by business executives as being a top strategy that impacts an organization's productivity, loyalty and retention. It is a crucial element in customer satisfaction and the success of an organization. OHFA will communicate the importance of maintaining a healthy workplace culture to its employees and candidates for positions.

***4.4 Build channels for the exchange of knowledge and ideas among staff that promote discussion of housing issues and process improvement.***

Innovative ideas for program and process improvement are important for Agency development. OHFA will facilitate the sharing of these ideas and create space for individuals to learn about their role in the organization and its mission.



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