

2017 Annual Plan

July 1, 2016 – June 30, 2017

DRAFT

Office of Affordable Housing Research
and Strategic Planning | **May 3, 2016**

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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). The 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 an integral component in helping OHFA serve 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 (OHR) 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 151,000 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

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

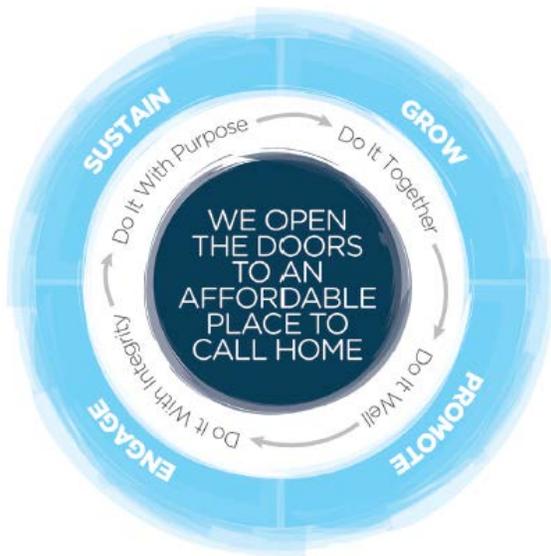
OHFA uses federal and state resources to finance housing opportunities for low- and moderate-income Ohioans through programs that develop, preserve and sustain affordable housing throughout the state. Our mission statement, **We Open the Doors to an Affordable Place to Call Home**, provides focus for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

Our Vision

We envision an Ohio 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.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Consolidated Plan												
Annual Plan												
Annual Budget												
Workforce Plan												
Qualified Allocation Plan												
Annual Report												

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.

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 4, and Friday, June 3, 2016.

Annual Plan Advisory Board Meeting

On Wednesday, May 4, 2016, OHFA conducted its yearly meeting with the Annual Plan Advisory Board. This group, which consists 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.

Annual Public Hearing on OHFA Programs and Annual Plan

On Wednesday, May 18, 2016, 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.

Annual Plan Adoption

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.

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 Minard
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 Arnett
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

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.

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
 Errin Jackson, Director of Debt Management
 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
 Jonathan McKay, Multifamily Finance Coordinator
 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 which also 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.

The FY 2017 Annual Plan was updated beginning 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 and incorporate current 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 Realtors learning about OHFA programs.
- The rebounding housing market coupled with our below-market 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.
- 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 OHFA and the Housing Tax Credit program.
- The U.S. Department of Housing and Urban Development (HUD) is expected to confirm the availability of approximately \$3.8 million of funding for the National Housing Trust Fund (NHTF) in 2016. Ohio will apply for these funds to serve extremely low-income households across the state. OHFA's Office of

Planning, Preservation and Development will work with our affordable rental housing partners to develop an allocation plan to distribute this funding based on the priority housing needs in Ohio's Consolidated Plan.

- 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 six urban counties to the entire state in preparation for inclusion in the 2018-2019 QAP. Kirwan uses indicators to identify strong, 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 ODM's 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 the administration of the Ohio Section 811 Project Rental Assistance Program to expand 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.
- With the creation of newly-greened lots through the Neighborhood Initiative Program, OHFA will explore ways to assist the development community in revitalizing neighborhoods and building new homes on those new lots.
- The Human Resources Office will provide tailored training and development alternatives to create 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.
- 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 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.
- 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 the Ohio Development Services Agency (ODSA) as it develops its Assessment of Fair Housing and continue to engage in proactive activities like development of the aforementioned Opportunity Index and Mapping Tool to affirmatively further fair housing.

- 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.
- OHFA is expected to receive a new allocation of Hardest Hit Fund (HHF) dollars from the U.S. Department of the Treasury.
- With 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.
- OHFA will continue to seek and develop strategies to address increasing housing project costs in order to maximize the allocation of scarce resources.
- Retaining and recruiting experienced staff that has affordable housing expertise, knowledge and training is a continuing challenge.

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. Key points from each chapter are covered below.

Demographics

On July 1, 2015, based on U.S. Census Bureau estimates, Ohio had 11,613,423 residents. Most counties lost population since 2010, but the gains in Central Ohio and some suburban areas led to a slight overall increase (0.67 percent) in population over the last five years. According to 2010-2014 American Community Survey (ACS) Five-Year Estimates, one in five Ohioans was a member of a racial or ethnic minority group. About half of Ohioans were 39 years old or younger and roughly one in seven was aged 65 years or older; these figures were higher in the far eastern portion of the state. Barely one in four households consisted of a family with children. More than 100,000 grandparents statewide were responsible for their grandchildren, while one out of every nine households was a single older adult (65+) living alone. Lastly, among adults aged 25 or older, one in three reported some form of postsecondary degree, with substantially higher rates in metropolitan areas.

Vulnerable Populations

Statewide, 13.5 percent of Ohioans report having at least one type of disability, according to the 2010-2014 American Community Survey (ACS), defined as difficulty with hearing, vision, cognition, ambulation, self-care, and/or independent living. These rates were highest in the south central and southeast portions of the state. Households receiving Supplemental Security Income (SSI) make up 5.6 percent of the population, though this is similarly concentrated in the Appalachian region.

A January 2015 point-in-time (PIT) count found 11,182 people experiencing homelessness statewide, either in shelters or on the street. While PIT is a one-time analysis of a group that is inherently difficult to locate, it is encouraging that this figure represents a 5.4 percent drop from 2014. This includes 3,617 people experiencing homelessness as a family, 1,275 people defined as chronically homeless, and 1,183 veterans. There were 15,824 units of permanent supportive housing (PSH) and 10,273 beds in emergency shelters and other transitional facilities in 2015 to serve the needs of this population.

Just over nine percent of adults not on active duty were veterans; seven percent of them experienced poverty and over a quarter reported a disability, regardless of whether it was a consequence of their service. In addition, 21,300 people released from correctional facilities in Ohio in 2014; 15 percent returned to Cuyahoga County and nine percent returned to Hamilton County. Lastly, many distressed neighborhoods are infant mortality hotspots, where children die before their first birthday two to three times more often than in the rest of the county.

Economic Data

The unemployment rate in Ohio in 2015 was 4.9 percent, a 14-year low, down from 5.8 percent in 2014; 59.4 percent of the working-age population (16 or older) was employed, the highest reading since 2009.

Unemployment rates ranged from 3.2 percent in Mercer County to 9.5 percent in hard-hit Monroe County. The average job in Ohio, of which there were over 5.42 million, paid \$22.68 per hour for 34.2 hours per week, or an average weekly wage of \$776. Overall, over the past five years, wages were essentially flat after adjusting for inflation. From 2010 through 2014, Ohio added 35 jobs per 1,000 residents; Union and Erie Counties more than doubled that pace, while five counties saw a net decline in jobs.

This chapter highlights “spatial mismatch,” the degree to which jobs for low- and moderate-income workers are situated far from where their labor pools reside, within eight Ohio counties. For households that do not have reliable private transportation, or simply want to work close to their child’s school and the rest of their community, it can be extremely challenging to locate gainful employment. Overall, annual median household income in Ohio was \$48,849 as of 2014; one in eight households was extremely low income (earning less than 30 percent of area median income, or AMI), with another 12 percent labeled as very low income (31 to 50 percent of AMI). Nearly one in six Ohioans lived below the poverty line in 2014, including 23 percent of children.

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 mid-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. NIP is expected to continue ramping up as more counties come online, thanks to an additional round of federal funding to continue the stabilization of Ohio communities through 2020.

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 other 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,” i.e., 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. Notably, 33 percent of rental units were now detached single-family homes (up from 29 percent in 2005-2009), a consequence of the housing crisis and falling homeownership rates.

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, dropping 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 (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.

Another way of looking at homeowner costs is the National Association of Realtors' Housing Affordability Index (HAI), which computes the cost of a conforming mortgage for a median-priced existing single-family home as a percentage of 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). HAI was generally 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, which includes the rent plus 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). Nearly one in five households pays over \$1,000 each month. The median household pays 29.9 percent of income toward rent and utilities, just below the 30 percent threshold used to quantify cost burden. Indeed, 24 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, moderate-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.

Opportunity

A series of maps based on 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 (see Chapter 3). For the eight urban counties, another measure was compiled that assessed the share of households that are not within walking distance (half a mile) of a grocery store and do not have a car. Within inner cities, many neighborhoods exceeded 20 percent, with one census tract in the Mount Vernon area of Columbus reporting a figure of 75 percent. Individuals living in these neighborhoods are at heightened risk for malnutrition and other health challenges.

Strategic Priorities

The following strategic priorities provide a framework for OHFA's ongoing performance management efforts in Fiscal Years 2015-2017. One-year goals and activities for FY 2017 do not appear in order of importance. The goals and activities 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 families, 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 Loan 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.

After completing the data inventory described in Initiative 2.1, 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. Guidelines, standards and other 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.

Initiative 3.2 Promote housing for populations with special and underserved needs including older adults, 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 higher among populations with special and underserved needs, especially those receiving Supplemental Security Income (SSI) and those relying on subsidies to maintain stable housing. 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 concentrated 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 financial resources and to provide affordable housing resources for individuals served by those agencies.

Initiative 3.3 Improve neighborhoods through community and economic development by developing 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 the 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 wages have increased less than \$100 per year. 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 difficulty that could be far worse 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. 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- and moderate-income homeowners and renters who are more vulnerable to economic hardships, and more than a third of project-based subsidized units across HUD, U.S. Department of Agriculture (USDA), and the Housing Tax Credit program are at risk of seeing 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. Emphasized was the need to make homes safer and healthier for all residents.

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	Initiative 3.3	Initiative 3.4	Initiative 3.5
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	✓		✓		

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 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 currently or projected to be in the implementation phase during FY 2017 are Round 5 of Hardest Hit Funds, Multifamily Lending Program, Ohio 811 Project Rental Assistance Program, National Housing Trust Fund and the Ohio Department of Medicaid Subsidy Demonstration Program.

Initiative 4.2 Strengthen existing and create new relationships with external partners.

Building new and strengthening existing relationships will help to 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 4.3 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 4.4 Stabilize residential neighborhoods and improve local property conditions throughout Ohio via the Neighborhood Initiative Program.

OHFA will work with 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 5.2 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 5.3 Optimize work performance to deliver a high level of customer service and requested business results.

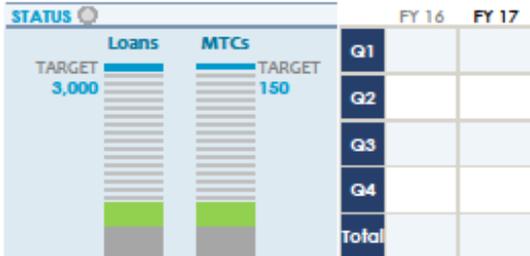
OHFA will continue to provide managers with tools to set goals that are aligned with the Agency's mission and to support individual employee development.

Initiative 5.4 Continue to build channels for the exchange of feedback and knowledge.

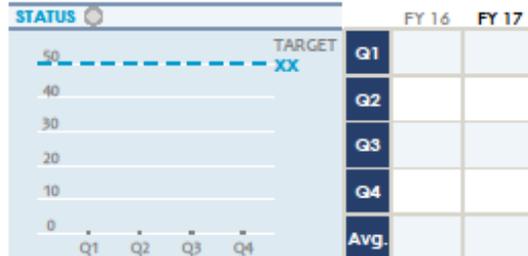
OHFA will create avenues for staff to celebrate achievements, voice concerns and learn about Agency programs and activities.



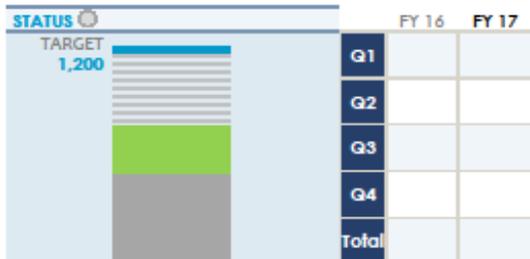
OHFA Loans and Mortgage Tax Credits



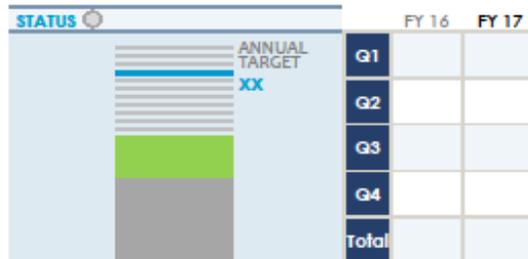
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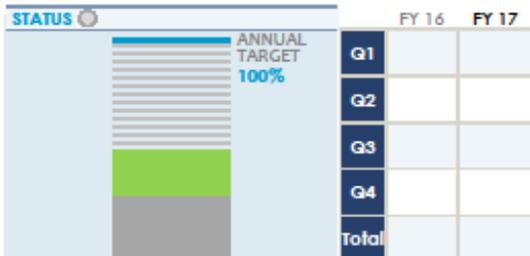
Vacant, abandoned houses razed and greened



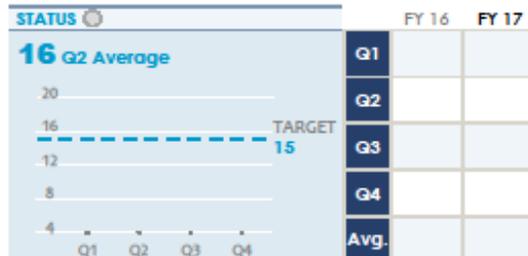
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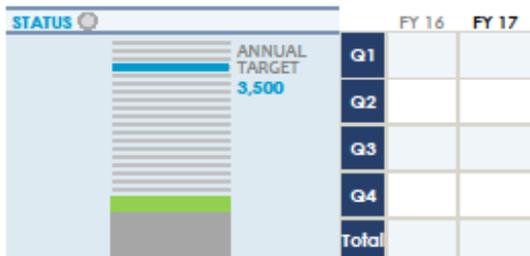
Required property inspections completed



Business days to issue compliance reports



Multifamily units funded



Multifamily units preserved



Legend ● On Target ● At-Risk ● Warning