

Greenbook
LSC Analysis of Enacted Budget

**Ohio Housing
Finance Agency**

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August 2017

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ATTACHMENT:

Budget Spreadsheet By Line Item

Ohio Housing Finance Agency

- Appropriations are for payroll only
- Funding of \$12.2 million in both FY 2018 and FY 2019

OVERVIEW

Agency Overview

The mission of the Ohio Housing Finance Agency (OHFA) is to offer affordable housing opportunities by providing financing for the acquisition, construction, and rehabilitation of owner-occupied single-family homes and multifamily rental housing projects. The Agency's programs serve low- and moderate-income first-time homebuyers, renters, senior citizens, and other populations with special needs who otherwise might not be able to afford quality housing. OHFA coordinates its programs with private industry and local communities, and funds them primarily through revenues from the issuance, private sale, and repayment of mortgage revenue bonds, as well as federal funds from the U.S. Department of the Treasury as part of the federal Hardest-Hit Fund initiative and the Department of Housing and Urban Development (HUD) under the HOME Investment Partnership Program.

OHFA operates various housing programs under three discrete program offices: Office of Homeownership; Office of Planning, Preservation, and Development; and Office of Program Compliance. In addition to these offices, there is a Program Management Office, the functions of which are divided among eight sub-offices, including the following: (1) Executive Director, (2) Administration, (3) Affordable Housing Research and Strategic Planning, (4) Information Technology, (5) Communications and Marketing, (6) Legal Affairs, (7) Internal Audit, and (8) Finance. The Agency is overseen by an 11-member board consisting of the directors of Commerce and Development (or their designees) and nine compensated public members appointed by the Governor.

Appropriation Overview

Funding under H.B. 49 covers only payroll costs associated with the various low- and moderate-income housing assistance programs overseen by OHFA. The revenue to support the payroll funding is derived from program fees, administrative fees, and loan application, reservation, and servicing fees generated by OHFA programs. These revenues are deposited into the Ohio Housing Finance Agency Operating Expenses Fund (Fund 5AZ0). As the table below shows, the budget provides

funding of just under \$12.2 million in both FY 2018 and FY 2019, or 9.6% greater than FY 2017 spending of \$11.1 million on agency payroll.

Appropriations by Fund Group, FY 2018-FY 2019					
Fund Group	FY 2017*	FY 2018	% change, FY 2017-FY 2018	FY 2019	% change, FY 2018-FY 2019
Dedicated Purpose	\$11,107,182	\$12,176,000	9.6%	\$12,176,000	0.0%
TOTAL	\$11,107,182	\$12,176,000	9.6%	\$12,176,000	0.0%

*FY 2017 figures represent actual expenditures.

ANALYSIS OF ENACTED BUDGET

Appropriations made in the main operating budget fund only OHFA's payroll and fringe benefits for staff.

Appropriations for the Ohio Housing Finance Agency				
Fund	ALI and Name		FY 2018	FY 2019
Agency Fund Group				
5AZ0	997601	Housing Finance Agency Personal Services	\$12,176,000	\$12,176,000
Total Funding: Ohio Housing Finance Agency			\$12,176,000	\$12,176,000

Housing Finance Agency Personal Services (997601)

This line item covers the costs of payroll and fringe benefits for the staff of the Ohio Housing Finance Agency. These costs are spread across three program areas and the Agency's program management offices. The budget provides funding of \$12.2 million in both FY 2018 and FY 2019 for payroll purposes.

Homeownership

In 2010, Ohio was awarded a total of \$570.4 million under the U.S. Treasury's Hardest-Hit Fund (HHF), an extension of the Troubled Asset Relief Program (TARP). The HHF provides emergency funding for housing finance agencies in states that encountered high levels of economic distress as a result of the economic downturn. Specifically, Ohio's HHF funding is used to engage struggling homeowners in housing counseling and to take steps to prevent foreclosure under an effort referred to as Save the Dream Ohio. The initiative is overseen by OHFA's Office of Homeownership. In FY 2016, OHFA was awarded an additional \$191.9 million under HHF. The federal funding period runs through CY 2020. Overall, of the \$762.3 million available, so far approximately \$437.4 million has been disbursed or reserved for disbursement on behalf of over 25,000 homeowners.

The Homeownership Office is also responsible for managing programs that provide homeownership opportunities to low- and moderate-income Ohioans, including the First-Time Homebuyer Program, which offers low-interest, fixed-rate mortgages to qualifying buyers through partnerships with 77 Ohio financial institutions. These loans may be supplemented with down payment assistance grants. OHFA offers programs targeted to specific populations, such as the Ohio Heroes Program, which offers reduced fixed-rate mortgages for teachers, active and retired military personnel, first responders, and health care workers, and the Grants for Grads Program, which offers down payment assistance to eligible college graduates. The loans and down payment assistance grants under the First-Time Homebuyer Program rely on the proceeds of housing revenue bonds issued by OHFA. The Homeownership Office

also provides services such as homeownership counseling, foreclosure mitigation counseling, rescue loans, and Target Area Loans to homebuyers in distressed areas of the state. The Office also runs the Mortgage Credit Certificate Program, which offers tax credits to qualifying first-time homebuyers based on the amount of mortgage interest that must be paid.

Planning, Preservation, and Development

The Office of Planning, Preservation, and Development is charged with increasing the number of affordable multifamily rental housing units in Ohio through a variety of funding sources including tax credits, tax-exempt bond revenue, federal HOME Investment Partnership funds from HUD, OHTF, and other sources. Programs in the Office of Planning, Preservation, and Development include the Community Housing Development Organization grant program, funded by federal HOME dollars, and the Housing Development Assistance Program, which is funded by OHTF dollars. HOME funds and OHTF funds are both transferred to OHFA via the Ohio Development Services Agency. The Office also makes the federal Housing Tax Credit available to developers who develop properties containing affordable units.

Program Compliance

Program Compliance is responsible for monitoring properties under various state and federal housing regulations, including units under the Housing Tax Credit Program, Housing Development Assistance Program, multifamily bond-financed units, and HUD Section 8 projects.

Program Management

Program Management encompasses OHFA's central administrative and program management functions. The eight sub-offices within this area include the following: (1) Executive Director, (2) Administration, (3) Affordable Housing Research and Strategic Planning, (4) Information Technology, (5) Communications and Marketing, (6) Legal Affairs, (7) Internal Audit, and (8) Finance.

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FY 2018 - FY 2019 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency

			Appropriation	FY 2017 to FY 2018	Appropriation	FY 2018 to FY 2019		
			FY 2016	FY 2017	FY 2018	% Change	FY 2019	% Change
Report For Main Operating Appropriations Bill			Version: As Enacted					
HFA Ohio Housing Finance Agency								
5AZ0	997601	Housing Finance Agency Personal Services	\$ 10,403,588	\$ 11,107,182	\$ 12,176,000	9.62%	\$ 12,176,000	0.00%
Dedicated Purpose Fund Group Total			\$ 10,403,588	\$ 11,107,182	\$ 12,176,000	9.62%	\$ 12,176,000	0.00%
Ohio Housing Finance Agency Total			\$ 10,403,588	\$ 11,107,182	\$ 12,176,000	9.62%	\$ 12,176,000	0.00%