

# **LSC Greenbook**

**Analysis of the Enacted Budget**

## **Ohio Housing Finance Agency**

Mark Harris, Jr., Budget Analyst  
Legislative Service Commission

July 2015

## TABLE OF CONTENTS

<b>OVERVIEW</b> .....	<b>1</b>
Agency Overview.....	1
Appropriation Overview .....	1
<b>ANALYSIS OF ENACTED BUDGET</b> .....	<b>3</b>
Housing Finance Agency Personal Services (997601) .....	3
Homeownership.....	3
Planning, Preservation, and Development .....	4
Program Compliance.....	4
Program Management.....	4

### **ATTACHMENT:**

Budget Spreadsheet By Line Item

# Ohio Housing Finance Agency

- Funding of \$12.1 million in FY 2016 and \$12.2 million in FY 2017
- Appropriations are for payroll only

## 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 through revenues from the issuance, private sale, and repayment of mortgage revenue bonds, as well as funds from the U.S. Department of Treasury's Hardest-Hit Fund Initiative and the Department of Housing and Urban Development (HUD) under the HOME Investment Partnership Program.

OHFA operates 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 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. The Agency has a staff of 154 full-time equivalent (FTE) employees.

### Appropriation Overview

Fund Group	FY 2015*	FY 2016	% change, FY 2015-FY 2016	FY 2017	% change, FY 2016-FY 2017
Dedicated Purpose	\$10,885,499	\$12,111,500	11.3%	\$12,176,700	0.5%
<b>TOTAL</b>	<b>\$10,885,499</b>	<b>\$12,111,500</b>	<b>11.3%</b>	<b>\$12,176,700</b>	<b>0.5%</b>

\*FY 2015 figures represent actual expenditures.

OHFA appropriations under H.B. 64 cover only the payroll costs of the agency and do not include funding for the various low- and moderate-income housing assistance programs overseen by the Agency. The payroll funding is derived from revenues, program fees, administrative fees, and loan application, reservation, and servicing fees generated from OHFA programs. These revenues are deposited into the Ohio Housing Finance Agency Operating Expenses Fund (Fund 5AZ0) to be used exclusively for payroll. As Table 1 shows, the appropriations for payroll are \$12.1 million in FY 2016 and \$12.2 million in FY 2017, which represents an 11.3% increase over actual FY 2015 expenditures, followed by an increase of 0.5% in FY 2017.

## ANALYSIS OF ENACTED BUDGET

OHFA's payroll and fringe benefits for staff are funded through one line item listed in the table below.

Appropriations for the Ohio Housing Finance Agency				
Fund	ALI and Name		FY 2016	FY 2017
<b>Dedicated Purpose Fund Group</b>				
5AZ0	997601	Housing Finance Agency Personal Services	\$12,111,500	\$12,176,700
<b>Total Funding: Ohio Housing Finance Agency</b>			<b>\$12,111,500</b>	<b>\$12,176,700</b>

### 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 program management office as described below. The budget appropriates slightly more than \$12.1 million in FY 2016 and just under \$12.2 million in FY 2017 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 goal of the HHF initiative is to provide emergency funding for housing finance agencies in states that encountered high levels of economic distress as a result of the economic downturn. 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. The federal funding period runs through calendar year 2017. Of the \$570.4 million available, so far approximately \$440 million has been disbursed or reserved for disbursement on behalf of approximately 24,000 homeowners.

The Homeownership Office operates the First-Time Homebuyer Program, which offers low-interest, fixed-rate mortgages to qualifying buyers through partnerships with 85 Ohio financial institutions. These loans may be supplemented with down payment assistance grants. OHFA also 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 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 the U.S. Department of Housing and Urban Development (HUD), the Ohio Housing Trust Fund (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**

The Program Compliance Office 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.

HFA.docx/th

**FY 2016 - FY 2017 Final Appropriation Amounts**

**All Fund Groups**

**Line Item Detail by Agency**

			<b>Appropriation</b>	<b>FY 2015 to FY 2016</b>	<b>Appropriation</b>	<b>FY 2016 to FY 2017</b>		
			<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>		
					<b>% Change</b>	<b>% Change</b>		
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: As Enacted</b>					
<b>HFA Ohio Housing Finance Agency</b>								
5AZ0	997601	Housing Finance Agency Personal Services	\$ 11,586,288	\$ 10,885,499	\$ 12,111,500	11.26%	\$ 12,176,700	0.54%
<b>Dedicated Purpose Fund Group Total</b>			<b>\$ 11,586,288</b>	<b>\$ 10,885,499</b>	<b>\$ 12,111,500</b>	<b>11.26%</b>	<b>\$ 12,176,700</b>	<b>0.54%</b>
<b>Ohio Housing Finance Agency Total</b>			<b>\$ 11,586,288</b>	<b>\$ 10,885,499</b>	<b>\$ 12,111,500</b>	<b>11.26%</b>	<b>\$ 12,176,700</b>	<b>0.54%</b>