

**Greenbook**  
**LBO Analysis of Enacted Budget**  
**Ohio Housing Finance Agency**

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# LBO Greenbook

## Ohio Housing Finance Agency

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### Quick look...

- The Ohio Housing Finance Agency (OHFA) seeks to expand affordable housing opportunities by providing financing for the acquisition, construction, and rehabilitation of owner-occupied single-family homes and multifamily rental housing projects.
- OHFA is governed by an 11-member board consisting of the directors of the Department of Commerce and Department of Development and nine members appointed by the Governor. The Agency employs a staff of 145 as of June 2023.
- The budget appropriates \$34.3 million over the biennium. Only OHFA’s payroll is subject to legislative appropriation. Funding for the housing programs OHFA manages are not. Payroll costs are funded by program, administrative, and loan application, reservation, and servicing fees.

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Actual	FY 2024 Appropriation	FY 2025 Appropriation
<b>Fund 5AZ0 ALI 997601, Housing Finance Agency Personal Services</b>					
\$12,218,390	\$12,309,134	\$13,458,784	\$14,268,761	\$16,861,741	\$17,433,489
% change	0.7%	9.3%	6.0%	18.2%	3.4%

### Agency overview

The Ohio Housing Finance Agency (OHFA) facilitates financing for the acquisition, construction, and rehabilitation of owner-occupied single-family homes and multifamily rental housing projects in coordination with private industry and local communities. The housing programs are primarily funded by revenues from the issuance, private sale, and repayment of mortgage revenue bonds, as well as federal funds from the American Rescue Plan Act of 2021 and the Department of Housing and Urban Development (HUD) under the HOME Investment Partnership Program. OHFA operates these various housing programs under three budget programs: Homeownership; Planning, Preservation, and Development; and Program Compliance. In addition, there is an Administration budget program that provides administrative and operation support for the entire Agency.

### Analysis of FY 2024-FY 2025 budget

The Ohio Housing Finance Agency’s (OHFA) budget of \$16.9 million in FY 2024 and \$17.4 million in FY 2025 covers payroll costs for the staff and per-diem payments to the board members overseeing the Agency. The budget does not include funding for the various low- and moderate-income housing assistance programs overseen by the Agency. These programs are supported by funding sources not subject to appropriation by the General Assembly.

## **Budget provisions**

### **Single-family housing development tax credit and low-income housing tax credit**

The budget authorizes two nonrefundable tax credits for investment in the following: (1) the development and construction of affordable single-family homes, and (2) the development of low-income rental housing that is awarded in conjunction with the federal low-income housing tax credit (LIHTC). Both credits may be claimed against the insurance premiums, financial institutions, or income tax and both credits will be administered by OHFA. For the single-family housing development tax credit, OHFA may reserve up to \$50.0 million in a fiscal year, but allows unreserved credit allocations and recaptured or disallowed credits to be added to the credit cap for the next fiscal year. The GRF tax revenue loss from this credit is estimated at \$5.0 million in FY 2024 and \$10.0 million in FY 2025. For the Ohio LIHTC, OHFA is limited to reserving up to \$100.0 million per fiscal year in tax credits, but the provision allows unreserved credit allocations and recaptured or disallowed credits to be added to the credit cap for the next fiscal year. The estimated GRF tax revenue loss is approximately \$10.0 million in FY 2024 and \$20.0 million in FY 2025. The budget prohibits OHFA from reserving any credits for either tax credit after June 30, 2027.

OHFA may need to hire more staff to administer these programs. For the single-family housing tax credit, OHFA anticipates it may need to hire four new staff (two Housing Grant Analyst 2, one Tax Credit Manager, and one Housing Examiner) for its Office of Single Family Housing. The Office of Multifamily Housing may need to hire one administrative employee to support the Ohio LIHTC. The provision allows OHFA to assess application, processing, and reporting fees to cover the cost of administering these tax credits.

### **List of subsidized rental property**

The budget also requires OHFA to prepare and annually update a list of all federally subsidized residential rental property in Ohio and annually certify the list to the Auditor of State, Board of Tax Appeals, and Tax Commissioner, who in turn certifies it to all county auditors. The bill authorizes OHFA to request information from metropolitan housing authorities to assist in compiling the list and makes the list a public record.

### **ARPA funding – Save the Dream Ohio Program update**

In April 2022, OHFA established the Save the Dream Ohio Program to assist homeowners impacted by loss of income or increase in expenses related to the COVID-19 pandemic. The program is supported by the federal American Rescue Plan Act (ARPA) under the U.S. Department of Treasury's Homeowner Assistance Fund. OHFA, on behalf of the state, was awarded \$280.7 million under the Homeowner Assistance Fund to be used for the Save the Dream Ohio Program.

There are two components of the Save the Dream Ohio Program: Mortgage Assistance and Utility Assistance Plus. Under the Mortgage Assistance component, eligible homeowners can receive future mortgage payments for up to six months and/or assistance to pay delinquent mortgage payments. An eligible household can receive up to \$25,000 in assistance. Under the Utility Assistance Plus component, eligible homeowners can receive up to \$10,000 to pay

delinquent utility bills, property taxes, and other housing costs not included in mortgage payments. Under each component, payments are made directly to mortgage servicers, utility companies, taxing authorities, insurance companies, or homeowner associations. These payments are applied to a homeowner's accounts.

As of July 2023, OHFA disbursed \$182.2 million benefiting over 26,000 households under the Save the Dream Ohio Program. Of that amount, \$149.4 million was under the Mortgage Assistance component and \$32.8 million was under the Utility Assistance Plus component. The program will run through September 30, 2025, or until the funding is exhausted.