

# Greenbook

## LBO Analysis of Enacted Budget

### Ohio Housing Finance Agency

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## Ohio Housing Finance Agency

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### Quick look...

- The Ohio Housing Finance Agency (OHFA) oversees 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 departments of Commerce and Development and nine members appointed by the Governor. The agency headcount, including board members, was 130 as of June 2021.
- The budget appropriates a total \$30.0 million over the biennium. Only OHFA’s payroll is subject to legislative appropriation. These costs are funded by program, administrative, and loan application, reservation, and servicing fees related to OHFA’s programs.

FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Appropriation	FY 2023 Appropriation
<b>Fund 5AZ0 ALI 997601, Housing Finance Agency Personal Services</b>					
\$11,799,323	\$11,874,426	\$12,218,390	\$12,309,134	\$14,855,643	\$15,136,756
% change	0.6%	2.9%	0.7%	20.7%	1.9%

### 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 U.S. Department of the Treasury and the Department of Housing and Urban Development (HUD). Most notably during the FY 2022-FY 2023 biennium, OHFA will be responsible for designing and overseeing Ohio’s \$280.8 million allocation for help to at-risk homeowner assistance under the Homeowner Assistance Fund, part of the American Rescue Plan Act of 2021. OHFA operates various housing programs under three offices: Office of Homeownership; Office of Planning, Preservation, and Development; and Office of Program Compliance. In addition, there is a Program Management Office which provides administrative and operation support for the entire agency.

### Analysis of FY 2022-FY 2023 budget

OHFA’s budget of \$14.9 million in FY 2022 and \$15.1 million in FY 2023 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. However, the revenue to support payroll funding is

derived from program fees, administrative fees, and loan application, reservation, and servicing fees generated by these various OHFA programs, the proceeds of which are deposited into the Ohio Housing Finance Agency Operating Expenses Fund (Fund 5AZ0).

## **New programs**

OHFA will administer three new programs in the FY 2022-FY 2023 biennium. The first is the Federal Housing Administration (FHA) Risk Share Program that will allow OHFA to provide low-interest construction and permanent loans to further the construction and development of more affordable housing units in the state. OHFA anticipates issuing between \$20.0 million to \$30.0 million in tax-exempt bonds per year for this purpose. OHFA received approval from the Federal Housing Administration to become an FHA Risk Share Lender in July 2020.

Under the second program, OHFA, in conjunction with the Department of Development (DEV), will administer and allocate funds for new construction and rehabilitation of affordable multifamily housing in areas impacted by tornadoes and extreme weather in the fall of 2019. DEV will receive \$10.5 million in relief funding directly from HUD's Community Development Block Grant Disaster Relief funds to support relief efforts. DEV will then allocate OHFA a portion of the funds to be used specifically for multifamily construction and rehabilitation. OHFA anticipates that developers or public authorities can begin applying for funding in the second or third quarter of FY 2022. The maximum award amount per project is \$3.0 million.

Finally, OHFA is working on a new "Save the Dream Ohio 2021" initiative using Ohio's \$280.8 million allocation under the Homeowners Assistance Fund included within the America Rescue Plan Act of 2021. This money will be used to provide help to struggling homeowners having trouble paying their utility bills, property taxes, and other eligible expenses such as homeowner's insurance. Program details will require approval from the U.S. Treasury Department.

## **Winding down of the federal Neighborhood Initiative Program**

The Neighborhood Initiative Program (NIP), one prong of the federal Hardest Hit Fund, is drawing to a close. OHFA's newsletter for the second quarter of 2021, published before the end of FY 2021, indicates that there was just \$2 million in funding yet to be distributed to five banks throughout the state under this program, which aided communities stabilize neighborhoods by removing blighted properties. Overall, more than 17,000 such properties have been removed under this initiative.