

Testimony of Douglas A. Garver, Executive Director Ohio Housing Finance Agency

House Finance Subcommittee on Agriculture, Development, and Natural Resources February 22, 2017

Good morning Chair Thompson, Ranking Member Kelly, and members of the House Finance Subcommittee on Agriculture, Development and Natural Resources. My name is Doug Garver and I am the Executive Director of the Ohio Housing Finance Agency. Thank you for inviting me to present the Agency's FY 2018-2019 budget request and to discuss the work we do to make affordable housing opportunities available to low to moderate income Ohioans.

The Ohio Housing Finance Agency, also known as OHFA, was created in 1983 as a division within the Department of Development. On July 1, 2005, OHFA became an independent, quasi-public, self-supporting agency that is governed by an eleven-member board, nine of whom are appointed by the Governor and confirmed by the Senate. Two additional seats on the board are reserved for the Director of the Development Services Agency (DSA) and the Director of Commerce or their designees, and both serve as ex-officio voting members. The Governor selects our board chair who is currently DSA Director David Goodman.

The Ohioans that we serve include first-time homebuyers, renters, senior citizens, veterans, and populations with special needs. Through public-private partnerships with lenders, realtors, homebuilders, developers, investors, community-based organizations, other state funders, and local governments, OHFA is able to leverage its resources to provide access to affordable housing, create jobs and strengthen communities.

OHFA's First-Time Homebuyer Program is made possible by the issuance, private sale, and repayment of tax-exempt and taxable mortgage revenue bonds. Since 1983, OHFA has issued over \$11 billion in tax-exempt mortgage revenue bonds that have allowed more than 154,000 families in all 88 counties to become homeowners.

The Agency makes the proceeds of these bonds available to a statewide network of lenders that originate OHFA's homebuyer loans. A list of these lenders along with more details about OHFA's programs can be found in the [2016 Annual Report](#) that was shared with you today.

Providing financial assistance for the acquisition, creation, and preservation of affordable multifamily rental properties is also a key component of OHFA's mission. Through the issuance of multifamily housing bonds and the allocation of federal low-income housing tax

credits, OHFA has helped create and preserve more than 140,000 affordable rental-housing units since 1983.

The Agency also utilizes important state housing resources including the Ohio Department of Commerce Unclaimed Funds program and the Ohio Housing Trust Fund. Both of these vital funding sources are used by OHFA in conjunction with our multifamily development financing. The net result of these investments is a stronger Ohio that provides safe, decent, affordable housing for our state's most vulnerable residents. OHFA recently completed an economic impact study of the Trust Fund and a [summary](#) of our findings is included with this testimony.

One of OHFA's most complex undertakings has been the Save the Dream Ohio foreclosure prevention program. In 2010, 18 state housing finance agencies in areas with severely depressed housing markets and high unemployment were awarded federal funding through the U.S. Treasury Department's Hardest Hit Fund.

Ohio originally received \$570 million in federal funds to assist homeowners who have experienced an involuntary financial hardship putting them at risk of foreclosure. To date, more than \$400 million has been disbursed on behalf of over 24,000 homeowners. Additionally, \$60 million was used to begin a new effort, the Neighborhood Initiative Program, to help eliminate blighted, abandoned residential properties and stabilize surrounding home values. Thirty-five county land banks around the state are currently participating in this program.

OHFA believes that housing is a significant economic driver, vital to our recovery, and the foundation upon which successful families, businesses, and communities are built. To further this belief, the Agency will in 2017 fund the purchase of another \$450 million in mortgages to help approximately 4,200 first-time homebuyers realize the dream and responsibility of homeownership.

Also this year, the Agency expects to allocate approximately \$30 million in federal housing tax credits that will leverage \$270 million in private investment to develop or preserve 40 rental properties with 3,500 affordable housing units. OHFA will then offer compliance training to the managers and owners of these properties and conduct inspections to ensure that qualified residents are living in safe, decent, affordable housing. This is an example of the public-private partnerships forged by the housing credit program that add accountability and contribute to the long-term viability of these community assets.

OHFA currently has 130 dedicated employees and our payroll is funded entirely by charging user fees and seeking administrative reimbursements for programs and services provided to outside organizations. No General Revenue Funds are used. Payroll is the only item in the Agency's overall budget that appears in the Executive Budget and requires appropriation by the Ohio General Assembly. All other elements of the Agency's budget are subject to review and approval by the OHFA Board.

I am here today in support of the OHFA appropriation request contained in Governor Kasich's Executive Budget. For fiscal year 2018, OHFA is requesting approximately \$12.4 million and approximately \$12.8 million for fiscal year 2019. Your continued support will enable us to carry out our mission of opening the doors to an affordable place to call home.

Thank you for the opportunity to come before you today. I am happy to answer any questions you might have.