

Testimony of Holly Holtzen, Acting Executive Director
Ohio Housing Finance Agency

House Finance Subcommittee on Agriculture, Development and Natural Resources
April 10, 2019

Good morning Chairman Hoops, Ranking Member Hicks-Hudson, and members of the House Finance Subcommittee on Agriculture, Development and Natural Resources. My name is Holly Holtzen and I am the Acting Executive Director of the Ohio Housing Finance Agency. Thank you for inviting me to present the Agency's FY 2020-2021 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, self-supporting agency that is governed by an eleven-member board.

Nine of these members represent various stakeholder groups and are appointed by the governor to staggered six-year terms, subject to Senate confirmation. These include lenders, realtors, homebuilders, developers, investors, labor, and community-based organizations. The two remaining seats are reserved for the directors of the Department of Commerce and the Development Services Agency (DSA). Governor DeWine will select the board chair.

The Ohioans that we serve include homebuyers, renters, senior citizens, veterans, and people facing homelessness or with special needs. Through public-private partnerships with our stakeholders, 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 homebuyer programs are funded by the issuance of mortgage revenue bonds and by the securitization and sale of mortgage loans. The proceeds of these transactions are then made available to a statewide network of private lenders that originate OHFA's 30-year, fixed-rate home loans.

Our typical borrower has a credit score of 700, a household income of \$50,000, and spends about \$120,000 on their home. Since 1983, more than 162,000 families in all 88 counties have become homeowners using OHFA programs. More details about these programs and other Agency information can be found in our [2018 Annual Report](#) and on the [OHFA website](#).

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 federal multifamily housing bonds and the allocation of federal low-income housing tax credits, OHFA has helped create and preserve more than 139,000 affordable rental-housing units. Agency staff then offer compliance training to property owners and managers and conduct inspections to ensure that qualified residents are living in safe, decent, affordable housing.

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 much needed housing for our most vulnerable residents.

One of OHFA's more complex undertakings resulted from the 2008 recession. In 2010, Ohio was chosen along with 17 other states to participate in the U.S. Treasury's Hardest Hit Fund to address severely depressed housing markets and high unemployment. OHFA's Save the Dream program was created and has assisted nearly 27,000 homeowners who experienced an involuntary financial hardship putting them at risk of foreclosure.

When the foreclosure crisis subsided, the Neighborhood Initiative Program was established to reimburse county land banks for eliminating blighted, abandoned residential properties and stabilizing surrounding home values. Currently, 43 county land banks around the state are participating in this program.

I am here today in support of the OHFA appropriation request contained in Governor DeWine's Executive Budget and in House Bill 166, roughly \$12.3 million for FY 2020 and \$12.8 million for FY 2021.

Payroll is the Agency's only line item in the Main Operating Budget and is funded entirely by user fees, administrative reimbursements and federal program support. No General Revenue Funds are used for OHFA operations and all other elements of the Agency's budget are subject to review and approval by our Board.

We believe that stable housing is the foundation upon which all else in an individual's or family's life is built. A safe, affordable place to call home is vitally important to maintaining good health, getting a good education and maximizing a person's potential.

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