

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

**Senate Finance Subcommittee on Workforce
May 5, 2015**

Good morning Chairman Beagle, Ranking Member Williams, and members of the Senate Finance Subcommittee on Workforce. 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 2016-2017 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 a 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, by statute, 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 144,550 Ohioans 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 first-time homebuyer loans.

Providing financial assistance for the acquisition, development, and preservation of affordable multi-family rental properties is also a key component of OHFA's mission. Through the issuance of \$758 million in multifamily mortgage revenue bonds, the allocation of federal low-income housing tax credits, and other state and federal resources, OHFA has helped with the creation and preservation of more than 104,500 affordable rental-housing units.

The Agency also utilizes a number of federal and state housing programs including the HOME Investment Partnerships Fund, project-based Section 8 housing assistance, the Ohio Department of Commerce Unclaimed Funds, and the Ohio Housing Trust Fund. Together, these programs and funding sources enable OHFA to play a leading role in addressing Ohio's affordable housing needs.

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 received \$570 million in federal funds to assist homeowners who have experienced a financial hardship putting them at risk of foreclosure. To date, nearly \$400 million has been disbursed on behalf of over 24,000 homeowners with \$60 million reserved for anticipated disbursements. Additionally, \$60 million was designated for a new effort, the Neighborhood Initiative Program, to help eliminate blighted, abandoned residential properties and stabilize surrounding home values. Save the Dream stopped accepting applications in August 2014 and homeowner assistance is expected to end sometime in late 2016.

OHFA recognizes 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 2015 fund the purchase of another \$200 million in mortgages to help approximately 2000 first-time homebuyers realize the dream and responsibility of homeownership.

Also this year, the Agency will allocate \$30 million in federal housing credits that will leverage roughly \$270 million in private investment to develop or preserve 45 rental properties with 3,500 affordable housing units. The strength of the housing credit program is this public-private partnership that adds accountability and contributes to the long-term viability of these community assets. OHFA then offers compliance training to the managers and owners of these properties and conducts inspections to ensure that qualified residents are living in safe, decent, affordable housing.

OHFA currently has 126 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 2016, OHFA is requesting approximately \$12.1 million, and an equal appropriation for fiscal year 2017. Your continued support of our efforts will enable us to carry out our mission to meet the housing needs of Ohio's low to moderate income residents.

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