



2016 ANNUAL PLAN



GROW

SUSTAIN

PROMOTE

ENGAGE

July 1, 2015 - June 30, 2016

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MESSAGE FROM THE EXECUTIVE DIRECTOR



I am proud to share the Fiscal Year (FY) 2016 Annual Plan for the Ohio Housing Finance Agency (OHFA) in accordance with the requirements of Section 175.04 of the Ohio Revised Code (ORC). The plan serves as a guide for program implementation, performance monitoring and workforce planning to ensure we meet the need for affordable housing in Ohio, anchored by solid research to inform us of current trends and demands.

Now more than ever, the collaboration and cooperation between OHFA stakeholders – including developers, investors, property managers, social service agencies, lenders, real estate agents, homebuyer education counselors, state and local leaders and others – is imperative to building a robust and affordable housing community for all Ohio residents. Thank you for contributing to the Agency's success by working with us to improve the outlook for homeownership, special needs housing, senior service initiatives and multifamily developments. While the demand for affordable housing continues to grow, our collective efforts will approach the demand with innovation and continued resourcefulness.

I would like to thank the OHFA staff for its steadfast commitment to our mission to *Open the Doors to an Affordable Place to Call Home*, and the OHFA Board for its continued guidance and insight.

In Fiscal Year 2016, OHFA will continue to:

- Sustain and advance OHFA through its core programs;
- Demonstrate impactful and measurable results;
- Concentrate efforts on the highest priority housing needs;
- Act as an entrepreneur in advancing OHFA's mission; and
- Strengthen OHFA's workforce culture.

The Office of Affordable Housing Research and Strategic Planning (OAHR) compiled this report, which includes the Ohio Housing Needs Assessment, in cooperation with the Annual Plan Advisory Board, Annual Plan Committee and Annual Plan Workgroup. I am grateful for their participation, hard work and valuable input.

With the support Governor Kasich's administration, our partners and other stakeholders, the OHFA Board approved and adopted the 2016 Annual Plan at its meeting on June 17, 2015.

Respectfully submitted,

A handwritten signature in black ink that reads "Douglas A. Garver".

Douglas A. Garver
Executive Director

ABOUT THE OHIO HOUSING FINANCE AGENCY

For more than 30 years, OHFA has served as a respected leader, ensuring the provision of safe and quality affordable housing for Ohioans. OHFA uses federal and state resources to fund fixed-rate mortgage loans and provide financing for the development of affordable rental housing. The Agency relies on its partnerships with private sector, public sector and nonprofit organizations to serve low- and moderate-income first-time homebuyers, renters and populations with special housing needs. Since 1983, OHFA has empowered more than 149,500 households throughout Ohio to achieve the dream of homeownership. OHFA has assisted with the financing of more than 104,500 affordable rental housing units in part through the allocation of federal housing credits.

OHFA BOARD



David Goodman,
Chairman
Director
Ohio Development
Services Agency



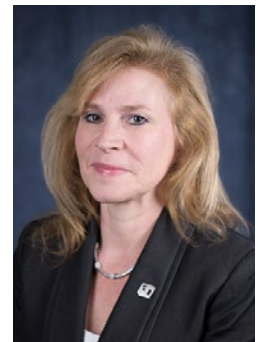
Robert A. Alexander
*Retired Senior
Vice President*
PNC Bank



Gregory Arcaro
CEO
Frontier Community
Services



Patricia P. Cash
*Retired Senior
Vice President*
PNC Bank



Catherine A. Cawthon
President
Fifth Third Community
Development
Corporation



Jason Clark
*Ohio Political Director and
Business Representative*
Indiana/Kentucky/Ohio
Regional Council of
Carpenters



Ralph Griffith
Senior Vice President
Value Recovery
Group, Inc.



Betty J. Kemper
President
The Kemper Company



Al Scott
*Co-Founder & Former
President of Development*
NRP Group



Jacqueline Williams
Director
Ohio Department
of Commerce

OUR MISSION

OHFA uses federal and state resources to finance housing opportunities for low- and moderate-income Ohioans through programs that develop, preserve and sustain affordable housing throughout the state. Our mission statement, *We Open the Doors to an Affordable Place to Call Home*, provides focus for the daily work of the Agency.

OUR VISION

We envision an Ohio in which everyone has a quality place to call home. OHFA commits to delivering its programs with a high standard of excellence to continually meet the public need for affordable housing and to make a difference in the lives of those we serve.

OUR IMPACT

With more than three decades of service, OHFA has emerged as a respected and trusted leader and will continually lead the nation in providing access to affordable housing for low- and moderate-income households.

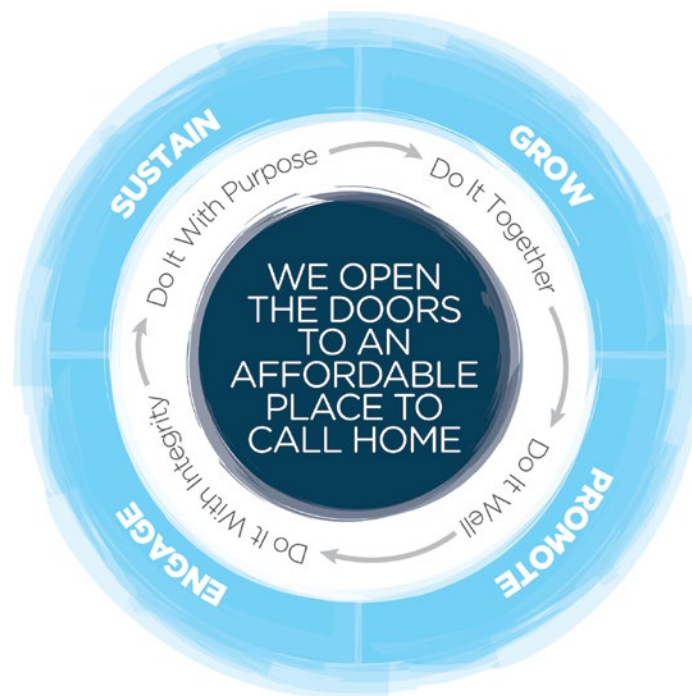


Figure 1. OHFA's organizational values — do it well, do it together, do it with purpose and do it with integrity — are reinforced in the daily work of the Agency and guide the way we make decisions, engage with others, allocate resources and solve problems.

FISCAL YEAR 2015 ACCOMPLISHMENTS



Co-hosted, in conjunction with the Ohio Capital Corporation for Housing (OCCH), Ohio's first-ever housing policy conference, **Starting at Home**, which

attracted more than 280 philanthropists, practitioners and researchers from around the country to explore the role of affordable housing in strengthening Ohio's families and neighborhoods. Conference topics focused on the intersection of affordable housing policy and health, education, neighborhood revitalization, financial stability and local government structure.



Emphasized customer service, lender outreach and training, realtor training and the development of streamlined processes to engage partners and **grow the First-Time Homebuyer**

program. Through these efforts OHFA had, as of the end of the third quarter of FY 2015, originated \$132 million in First-Time Homebuyer Loans — or 1,368 loans. While this number is lower than OHFA's original projection, reservations have been trending upward since September 2014, which puts OHFA on a positive trajectory for FY 2016.



Worked to improve the sustainability of OHFA's First-Time Homebuyer Loans by ensuring that 100 percent of homebuyers receive pre-purchase **Homebuyer Education** through one of 24 participating housing counseling agencies.



Launched a monthly forum for supervisors to discuss management challenges. A new online employee recognition tool, **Kudos**, allows employees to recognize one another for their good work via the Intranet.



Certified several staff members through the Department of Administrative Services' **Lead Ohio Initiative**, a leadership program designed to help provide managers the confidence, tools and knowledge they need to be successful.



Won a National Council of State Housing (NCSHA) award for the development and implementation of a **Risk Assessment Survey**. OHFA's Office of Internal Audit conducted 16 program audits and worked with OHFA program offices to improve procedures and performance.



Successfully implemented in-house hedging of the **single-family mortgage pipeline**. This program is expected to save the Agency an estimated \$1.2 million per fiscal year. Sold \$40 million of mortgage-backed securities, which generated a net income of nearly \$6 million.



The Office of Program Compliance created a **Portfolio Dashboard** for the industry and the OHFA Board to provide updated information on the performance of OHFA's multifamily portfolio. In addition, the team completed 507 compliance reviews, which covered 31,780 units and 7,234 buildings.



Launched the **Multifamily Lending Program**, which will allow the Agency to provide financing — otherwise unavailable in the private market — to 20 projects a year consisting of approximately 1,000 total units over state fiscal years 2015 through 2017.

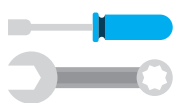


Concluded the acceptance of applications for OHFA's **Capital Funding to End Homelessness Initiative** (CFEHI), which provides capital funding to build new

Permanent Supportive Housing, construct new shelters and repair existing shelters. Over the course of the program, CFEHI has funded 938 units in four counties to assist Ohioans in dire need of shelter.



Developed OHFA's first-ever two-year **Qualified Allocation Plan** (QAP). The 2016-17 QAP represents a substantial shift in allocation strategy and includes policy changes centered on providing better affordable housing.



Began issuing reimbursement dollars for the **Neighborhood Initiative Program** (NIP), which aims to prevent foreclosures and improve neighborhood property values through the demolition of vacant and blighted properties. As of the end of the third quarter, FY 2015, NIP had funded \$7.6 million in demolitions — a total of 665 units.



Funded the final application through the **Save the Dream Ohio** foreclosure prevention effort. Since the program's launch in September

2010, OHFA has assisted more than 24,000 homeowners at risk of foreclosure.



Received \$12 million in funding through the U.S. Department of Housing and Urban Development (HUD) **Section 811 Project Rental Assistance Program** to provide assistance to more than 500 very low-income households that include persons with disabilities.



Began using a new software tool, **DevCo**, to accept tenant-level data required to track multifamily project compliance.



Facilitated studies exploring **shale drilling's impact** on the housing markets of eastern Ohio and a telephone survey of Ohioans' housing needs.

Note: Accomplishment achievements as of Q3 FY 2015.

FISCAL YEAR 2016 CHALLENGES



A major focus over the next year will be improving the Agency's **data collection** and **data quality control** in an effort to boost performance, increase transparency and inform policy. OHFA has partnered with LeanOhio to facilitate process audits in FY 2016, and is working toward developing a real-time performance dashboard to connect results of OHFA's programs.

Reductions in funding from a variety of state and federal sources, including HUD HOME dollars, the Ohio Housing Trust Fund and the National Foreclosure Mitigation Fund (NFMF) present an ongoing challenge to OHFA by limiting the number of Ohioans assisted through affordable housing and foreclosure prevention programs.



High prices, and therefore low interest rates, in the **bond market** continue to diminish OHFA's competitive advantage over other lenders despite OHFA's array of products aimed to assist first-time homebuyers. Raising awareness about those products, developing strong partnerships with lenders and realtors and expanding market share will be key to OHFA's success in FY 2016.

Tax reform talks will resume in Congress and OHFA will continue to advocate for the retention and strengthening of the Housing Credit and Housing Bond programs. The Housing Credit program is one of OHFA's largest funding sources, and changes to the federal tax system could eliminate the Housing Credit program or diminish demand for the tax credits.



ABOUT THE FISCAL YEAR 2016 ANNUAL PLAN

The Annual Plan is the document prepared by OHFA to ensure compliance with Section 175.04 of the ORC, which requires that OHFA develop a plan to address Ohio's housing needs on an annual basis. Grounded in a comprehensive review of Ohio's current housing needs and trends, the planning document identifies strategic priorities and actionable goals to be integrated into all aspects of OHFA's work. It also contributes to a larger performance management structure that aligns other strategic processes, including workforce planning, program implementation and performance monitoring.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Consolidated Plan												
Annual Plan												
Annual Budget												
Workforce Plan												
Qualified Allocation Plan												
Annual Report												

As approved by the OHFA Board on June 17, 2015, effective July 1, 2015, the Annual Plan is developed in alignment with the State Fiscal Year (July 1 through June 30).

Review and Consideration of Public Feedback

The Annual Plan supports the links between advocacy, policy creation and engagement with stakeholders and partners to identify housing needs and priorities. Described below are the meetings and outreach efforts OHFA conducted to develop the FY 2016 Annual Plan.

Stakeholder Survey

In 2014, OHFA conducted a statewide housing needs survey to better understand housing needs from the perspective of local governments and housing industry professionals. Relevant findings are summarized on page 16 of this document.

Public Comment Period

Each year, the public has the opportunity to provide feedback on OHFA's annual planning process. A formal Annual Plan comment period was held between Wednesday, May 6, and Friday, June 5, 2015.

Annual Plan Advisory Board Meeting

On Wednesday, May 6, 2015, OHFA conducted its yearly meeting with the Annual Plan Advisory Board. This group is comprised of external partners who provide input on the Annual Plan, advise Agency leadership on the prioritization of housing needs and help the Agency better understand the full spectrum of housing needs throughout Ohio.

Annual Public Hearing on OHFA Programs and Annual Plan

On Wednesday, May 20, 2015, OHFA conducted its public hearing on OHFA programs and the Annual Plan. The yearly hearing gives the public an opportunity to voice opinions on all aspects of OHFA's programs and affairs.

Annual Plan Adoption

The Annual Plan was adopted by OHFA's Board on Wednesday, June 17, 2015, and took effect July 1, 2015. The document outlines priorities, goals and implementation actions that apply to OHFA programs and activities.

PARTICIPANTS IN THE FISCAL YEAR 2016 ANNUAL PLANNING PROCESS

The Annual Plan was developed through the collaboration of a broad spectrum of internal and external stakeholders including the OHFA Board, Annual Plan Advisory Board and Agency staff.

Annual Plan Committee

The Annual Plan Committee, which comprises four OHFA Board members, actively supports the planning process by reviewing the Agency's assessment and prioritization of housing needs, development of goals and strategies, consideration of stakeholder feedback and evaluation of progress toward meeting the goals outlined in the Annual Plan.

Annual Plan Advisory Board

The Annual Plan Committee selects an Advisory Board from a list of interested stakeholders the Executive Director provides or on its own recommendation. Through the structure of the Annual Plan Advisory Board, OHFA is able to engage a wide variety of community stakeholders to gain a better understanding of housing needs and activities throughout Ohio. Members provide input on topics and issues related to the Annual Plan and advise Agency leadership on the prioritization of housing needs and activities.

Central Ohio Community Improvement Company, John Rosenberger

Coalition on Homelessness and Housing in Ohio, Bill Faith

Corporation for Supportive Housing, Katie Kitchin

Cuyahoga County Land Revitalization Corporation, William Whitney

Enterprise Community Partners, Mark McDermott

Greater Ohio Policy Center, Alison Goebel

Homeport, George Tabit

Leading Age Ohio, David Brainin

Legal Aid Society of Southwest Ohio, LLC, Steven Sharpe

Lucas Metropolitan Housing Authority, Linnie Willis

Mahoning County Land Bank, Deborah Flora

Miller Valentine Group, Ohio Housing Council, Brian McGeady

Mortgage Guaranty Insurance Corporation, Jane Coleman-Porter

National Church Residences, Steve Bodkin

Neighborhood Progress, Inc., Linda Warren

Neighborhood Housing Services of Greater Cleveland, Lou Tisler

Ohio Capital Corporation for Housing, Hal Keller

Ohio CDC Association, Nate Coffman

Ohio Department of Developmental Disabilities, Ernie Fisher

Ohio Department of Mental Health and Addiction Services, Doug Bailey

Ohio Home Builders Association, Vincent Squillace

Ohio Housing Council, Laura Swanson

Ohio Mortgage Bankers Association, Marianne Collins

Ohio Department of Medicaid, Emily VanBuren

Ohio Statewide Independent Living Council, Kay Grier

Park National Bank, Gail Blizzard

The NRP Group, Aaron Pechota

Union Home Mortgage, Bill Cosgrove

U.S. Bank, James Coreno

U.S. Department of Agriculture, Rural Development, Gerald Arnott

U.S. Department of Housing and Urban Development, Thomas Leach

Annual Plan Workgroup

An internal planning workgroup comprised of OHFA staff was assembled with the principal responsibility of setting program goals and developing strategies to achieve Agency-wide priorities. The Annual Plan workgroup involved key staff from all functional levels of the organization including executive leadership, program managers and front-line employees who have direct involvement in Agency programs and operations.

OHFA Leadership

Douglas Garver, Executive Director

Sean Thomas, Chief of Staff

Arlyne Alston, Director of Communications and Marketing

Andrew Bailey, Director of Planning, Preservation and Development

Jim Durham, Director of Homeownership

Holly Holtzen, Ph.D., Director of Research and Strategic Planning

Errin Jackson, Director of Debt Management

Betsy Krieger, Director of Program Compliance

John Lloyd, Director of Facilities

Clare Long, Director of Human Resources

Steven McVey, Chief Information Officer

Jeremy Myers, Director of Homeownership Preservation

Brenda Walker, Director of Internal Audit

Donald West, Chief Financial Officer

Office of Affordable Housing Research and Strategic Planning

Bryan Grady, Research Analyst

Stephanie Casey Pierce, Strategic Planning and Research Analyst

Offices of Homeownership and Homeownership Preservation

Carlie Boos, Neighborhood Initiative Manager

Tonya Brunner, Quality Control Manager

Jonathan Duy, Real Estate Relations Manager

Cleo Evans, Bond Account Coordinator

Erin Higgins, Homeownership Operations Manager

Denise Meredith, Bond Account Coordinator

Kristal Moon, Housing Development Analyst

Holly Swisher, Operations Manager

Tom Walker, Business Relations Manager

Office of Planning, Preservation and Development

Myia Batie, Program and Policy Manager

Kelan Craig, Business Manager

Office of Program Compliance

Christine Bennett, Program and Compliance Manager

Todd Carmichael, Compliance Team Manager

Edward Skipper, Housing Examiner

Office of Finance

Anthony Tai, Assistant Director of Finance

ANNUAL PLANNING PROCESS

Internal Assessments

In Fall 2013, the OHFA Board engaged in a strategic planning process with a multi-year outlook to direct the future of the Agency. OAHR reviewed the Agency's planning requirements and established a structure for developing a long range strategy which also provided a context for OHFA's annual planning efforts in Fiscal Years 2015-2017.

The early phase of the FY 2015 planning process brought together executive staff to identify opportunities for improvement, generate ideas and prioritize concerns. Using a number of collaborative planning tools, including decision making theories and practices from the Lean Six Sigma methodology, information and other feedback concerning the Agency's purpose and current performance was analyzed and sorted into related themes. These themes were used to bring shape and structure to the five strategic priorities appearing in the FY 2015 Annual Plan.

The FY 2016 annual planning process began in early 2015 with six teams representing OHFA's program and support offices. Staff representing various levels and functions at OHFA reviewed and updated the FY 2015 Annual Plan to account for and incorporate current realities, new programming and policy changes. Planning sessions were facilitated by OAHR.

Planning meetings were held throughout January and February 2015. Staff worked through April 2015 to distill all input received into a draft of the planning document, which was released for public comment on Wednesday, May 6, 2015.

External Assessments and Data Analysis

Stakeholder Survey

As part of OHFA's multi-faceted outreach efforts, a statewide housing needs survey was conducted between Monday, March 10, and Friday, March 28, 2014. OAHF conducted four surveys tailored to distinct groups of industry professionals, economic development officials, multifamily housing developers and managers, members of the Ohio Association of Realtors® and housing advocates and lenders involved in single family housing. In total, 998 responses were received. The survey was not repeated during the FY 2016 planning process, as its results, summarized below, are still considered relevant for FY 2016:

- Respondents reported the lack of exterior upkeep, vacant and abandoned housing and insufficient energy efficiency and weatherization were the most important housing quality issues in their communities.
- Public service workers, energy industry workers and moderate-income homebuyers were found to have their housing needs best met, while at-risk youth and adults transitioning from institutional settings were considered to be the most poorly served.
- Stakeholders found that a lack of funding from public and private sources alike, as well as inadequate access to affordable rental assistance programs, was the biggest policy obstacles to affordable housing development.
- Local officials generally felt the redevelopment of vacant and substandard housing for moderate-income working families was the biggest need in their community, while proximity to transportation was seen as most important for residential development.
- Officials cited a need to attract young, childless adults to their communities as residents.
- Those taking the multifamily housing survey felt the rehabilitation of Section 8 projects and similar housing complexes was the most pressing policy issue; they also suggested that cost-effectiveness and supportive services should drive housing tax credit allocation.
- Among Realtors® who responded to the survey, two-thirds had sold a home to someone with an OHFA loan and, among those, three-fourths were satisfied with the experience.
- Those taking the single-family housing survey expressed little consensus on recent trends in the volume of home sales, but said there has been modest price appreciation in the last year and expect volume to increase in the year ahead.

Executive Summary

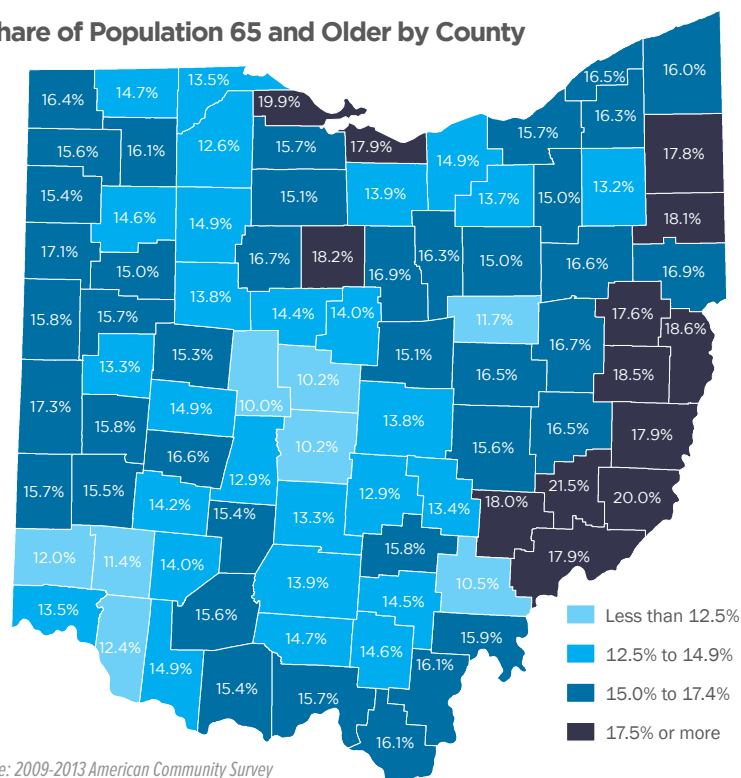
As part of OHFA's Annual Plan, OAHR is tasked with identifying the scale and scope of the state's housing challenges. This document is more than simply a legal obligation, however; it pulls together data from a wide variety of sources and disciplines to generate a snapshot of where and how Ohioans live that can inform OHFA policymaking, as well as others working toward OHFA's mission of ensuring that every Ohioan has access to safe, affordable housing. Key points from each chapter are covered below.

Preface

Nearly 6.5 million Ohioans, or 58 percent of the state's population, live in households categorized as "low- and moderate-income," meaning that their income is less than 120 percent of the area median; these are the people OHFA is tasked with serving. This percentage varies from 33 percent in Delaware County to 69 percent in Morrow County, with higher values concentrated in Appalachian counties. In Ohio's six most populated counties, the concentration of low- to moderate-income households in the central cities is stark, with many census tracts placing over 80 percent of individuals within OHFA's customer base.

Demographics

Share of Population 65 and Older by County



Source: 2009-2013 American Community Survey

Ohio had an estimated 11,594,163 residents in 2014. Most counties statewide lost population since the 2010 Census, but the gains in Central Ohio and some suburban areas elsewhere led to a slight overall increase (0.47 percent) in population in the last four years. Projections from the Ohio Development Services Agency suggest this pattern will persist over the next 25 years, with the state's population expected to increase by 0.04 percent per year. Overall, nearly one in five Ohioans is a member of a racial or ethnic minority group. The median Ohioan is 39 years old and roughly one in seven is aged 65 years or older, though these figures are higher in the far eastern portion of the state, as well as some counties in north central Ohio. Just over three in ten households consist of families with children, with higher shares in suburban counties near Columbus. Nearly one in three young adults aged 18 to 32 is living with his or her parents, a figure only modestly higher than in previous decades. And among adults aged 25 or older, one in three has at least one postsecondary degree, with substantially higher rates in metropolitan areas.

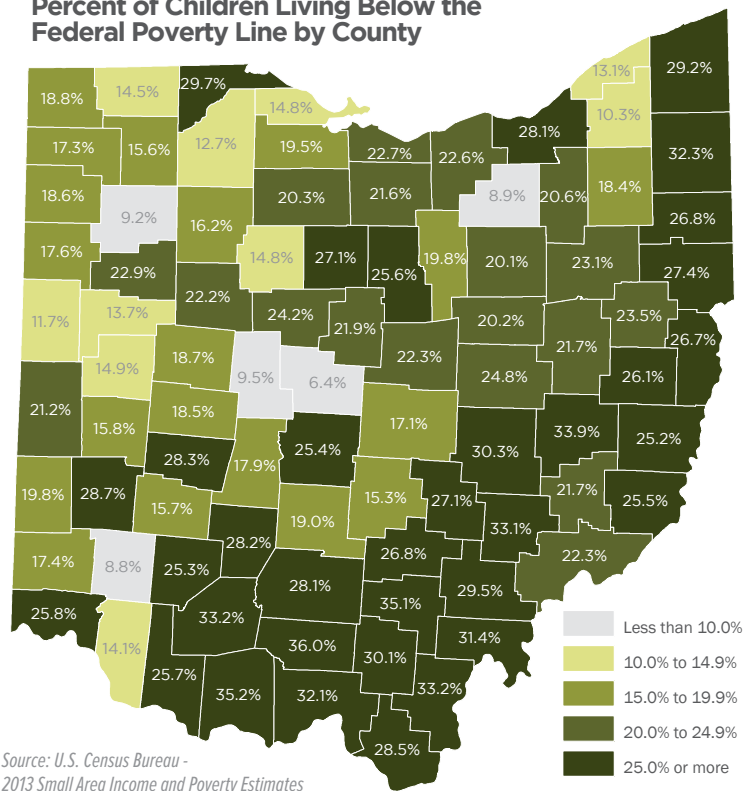
Special Populations

Thirteen percent of Ohioans report at least one type of disability. These figures are much higher in Appalachian counties, particularly those in the far southern portion of the state. The receipt of SSI benefits is 2.7 percent statewide, with higher rates throughout Appalachia and in Cuyahoga, Lucas and Mahoning Counties. According to point-in-time count of sheltered and unsheltered homeless persons, there were 11,823 homeless individuals identified in January 2014, a 4 percent drop from the year before. Of those, 4,119 were members of homeless families, 1,481 were found to be chronically homeless, and 1,236 were veterans. Overall, about one in nine Ohioans is a veteran, of which 7 percent are in poverty and more than one in four is disabled.

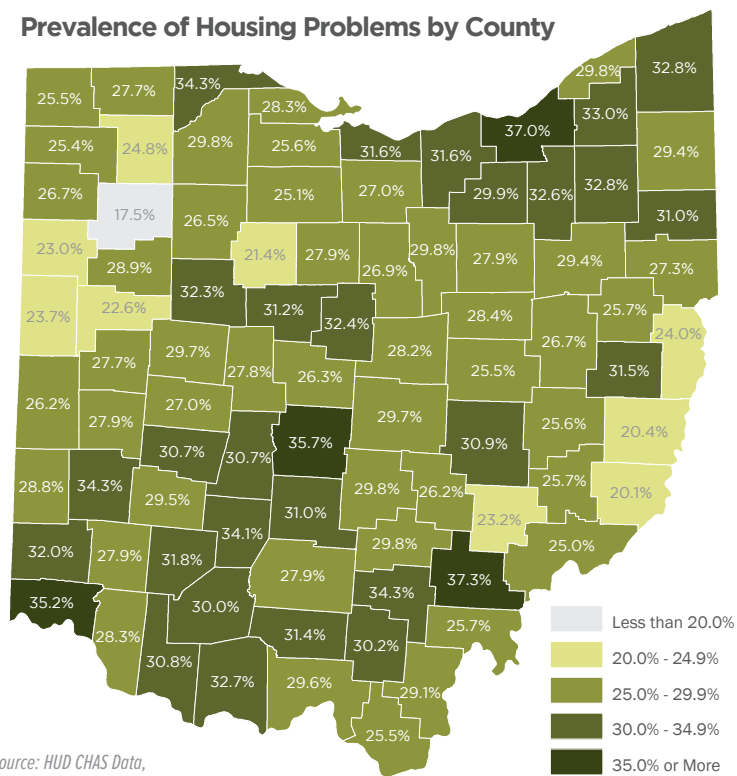
Economic Data

The unemployment rate in Ohio in 2014 was 5.7 percent, a substantial decline from 7.5 percent in 2013, though workforce participation is still down substantially from pre-recession levels. By county, unemployment ranges from 3.4 percent in Mercer to 12.2 percent in Monroe. Ohio employers reported having 5.33 million jobs on their payrolls, more than a quarter million more than at the depths of the recession in 2009, with the average private-sector job paying \$758 per week. Using a different data source, the Longitudinal Employer-Household Dynamics database, that excludes temporary jobs lasting 90 days or less, just over 197,000 net new jobs were created between January 2009 and December 2013, with Franklin County accounting for over a quarter of that figure alone. However, those jobs are not necessarily being created where people actually live, especially for those making less than \$40,000 per year. Those households are concentrated near the urban core, particularly in post-industrial cities, but the jobs are generally located in suburban areas. Overall, annual median household income in Ohio was \$48,308 as of 2013; one of five households subsisted on less than \$20,000 per year, while nearly as many earned \$100,000 or more. **Nearly one in six Ohioans lived below the federal poverty line in 2013, including 23 percent of children.**

Percent of Children Living Below the Federal Poverty Line by County



Prevalence of Housing Problems by County



Housing Stock

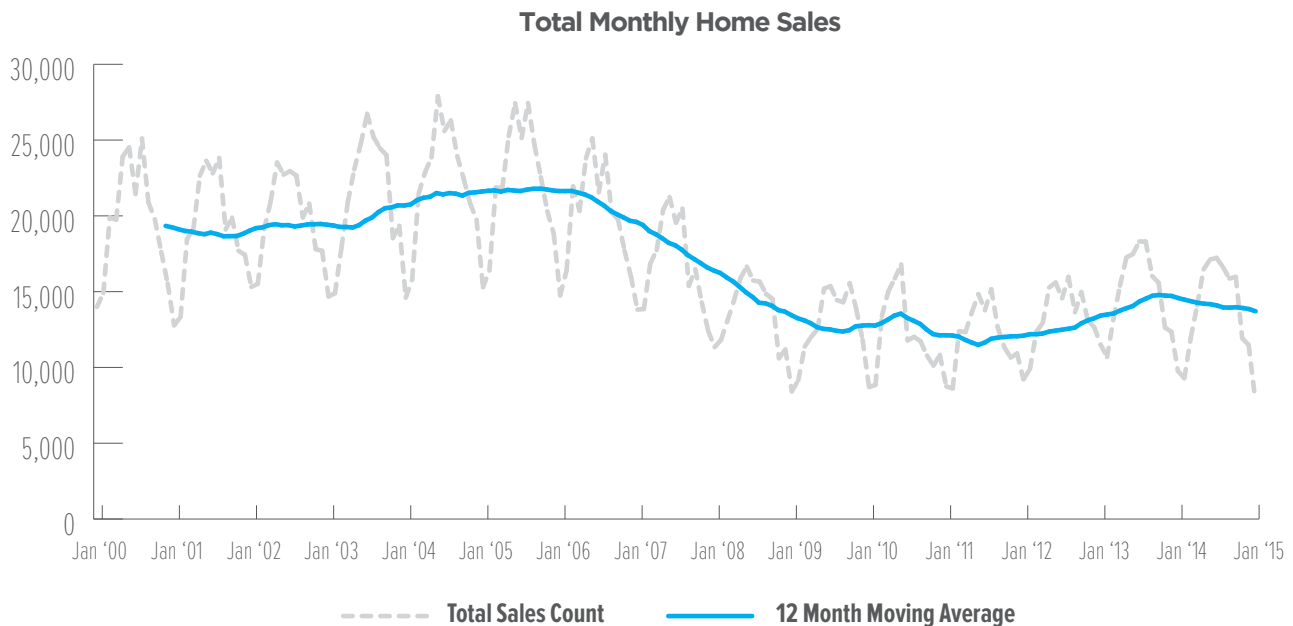
Ohio has 5,124,221 housing units, according to the 2009-2013 American Community Survey; just over two-thirds are single-family detached homes and over a fifth of units are more than 75 years old. The median home is 61 years old in Cuyahoga County and 20 years old in Delaware County, though regional maps show that aging housing stock is an issue not just in urban cores, but in rural townships as well, particularly in Crawford, Harrison, Preble and Wyandot Counties. Nearly one in three households experiences a “housing problem,” meaning that they are cost-burdened, overcrowded or living in functionally substandard housing; this includes a quarter of homeowners and 47 percent of renters. For very low-income households, however, this rate spikes to 73 percent; the issue is most acute in urban areas plus Athens County, with lower rates seen in rural portions of northwest Ohio. One in nine housing units in Ohio is vacant, with the highest levels in Ottawa, Logan, Harrison and Morgan Counties.

Owners and Renters

The U.S. Census Bureau's Housing Vacancies and Homeownership dataset reported that Ohio's homeownership rate was 66 percent in Q4 2014, slightly higher than the 64 percent level seen nationally. This varied a great deal by race, however; 73 percent of white non-Hispanic householders were owner-occupiers, but only 41 percent of all other householders were. As homeowners tend to be older, we find that three in five owner-occupier households are headed by a married couple, as opposed to just over one in five renter-occupied households. Over half of renter households consist of either a single person (42 percent) or unrelated individuals (10 percent). Renter households are more than three times as likely to experience overcrowding, as measured by having more occupants than rooms.

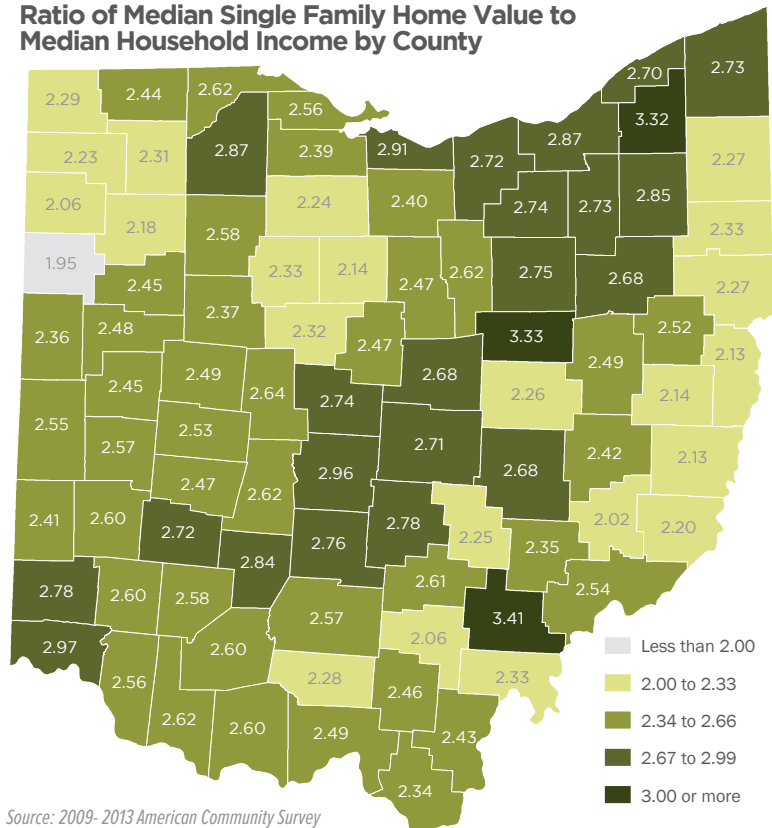
Homeownership Trends

Local jurisdictions in Ohio issued 12,717 residential building permits in 2013, or about 1.1 per 1,000 residents. The highest levels of new construction were seen in Delaware, Union, Franklin and Warren Counties. Just fewer than 14,000 homes per month were sold in Ohio in 2014, slightly fewer than in 2013. Real estate owned sales were 8.6 percent of transactions in January 2015, a seven-year low, while the rate of foreclosures (1.4 percent) is at a twelve-year low; 90-day mortgage delinquency (4.4 percent) is also at a seven-year low. In the fourth quarter of 2014, 15 percent of homes had negative equity, down dramatically from 27 percent in Q1 2013. The highest rates of mortgage distress were seen in the southern and eastern portions of the state, as well as some rural counties north and west of Columbus. Median monthly sales prices statewide averaged about \$110,000 in 2014, which indicates prices are approaching pre-crisis levels, but they are actually lower than they were in 2000 after adjusting for inflation. At the county level, median prices range dramatically, from \$42,700 in Adams County to \$244,800 in Delaware County.



Source: First American CoreLogic, Inc., Market Trends Report

Ratio of Median Single Family Home Value to Median Household Income by County



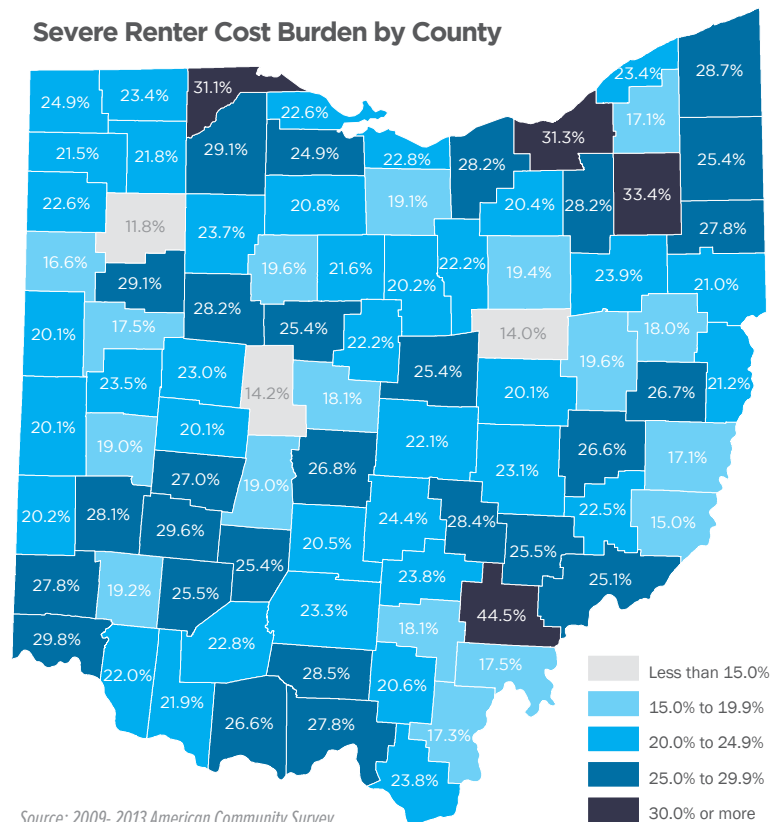
Homeowner Affordability

The median Ohio household with a mortgage pays \$1,288 for housing, including principal, interest, taxes, insurance, condominium fees (if applicable) and utilities (electric, gas, sewer and/or water). Across the state, housing costs range from \$876 in Monroe County to \$1,967 in Delaware County. Nearly a quarter of homeowners spend more than 30 percent of their income on these expenses, making them housing cost burdened. Overall, median home value is 2.71 times median household income in Ohio, slightly above the 2.5x “rule of thumb” recommended for homebuyers. With regard to the affordability of housing currently on the market, 46 percent of homes for sale in Ohio (as of April 10, 2015) were priced below \$100,000; barely one in ten homes in Delaware County fit this description, whereas over three in four in Van Wert County did. Among Ohio’s ten most populated counties, this figure ranged from 31 percent in Franklin to 63 percent in Mahoning.

Renter Affordability

Median monthly gross rent including utilities in Ohio is \$718, with 23 percent of renter households paying less than \$500 and 18 percent paying more than \$1,000 per month. As a percent of income, the median renter pays 30.1 percent of their income toward gross rent, meaning that a majority of Ohio renters are housing cost burdened, including at least 52 percent of those aged 65 or older. **Even more crucially, 27 percent of renters – nearly 400,000 households – either are paying more than half of their income in gross rent or have no income at all;** this figure is 31 percent in Cuyahoga and Lucas Counties. Further, for a single worker living on the federal poverty line, it is impossible to afford median monthly gross rent and commute an average distance to work; these two expenses alone consume 100 percent or more of income in every single county and in the vast majority of neighborhoods.

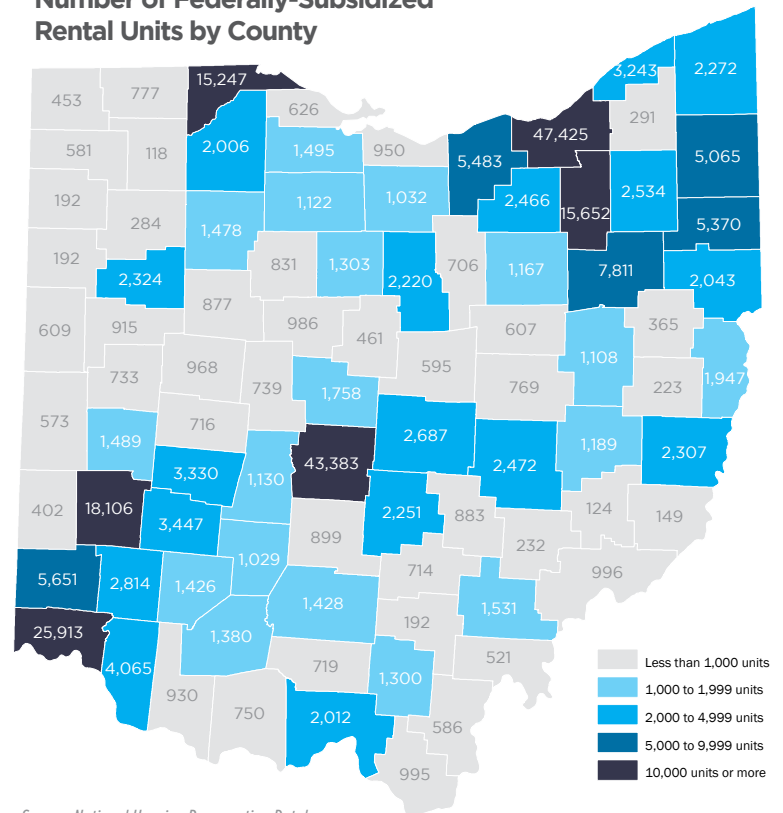
Severe Renter Cost Burden by County



Renter Subsidies

Statewide, there are 289,140 rental units that are receiving any type of subsidy from the federal government; this represents 19 percent of units in Ohio and ranges from 5 percent in Henry County to 32 percent in Belmont County. Over half of these are located in the state's six most populated counties, but every county has at least 100 and most have over 1,000. Nearly a quarter of these units will lose all or part of their subsidy in the next five years. Units supported through project-based Section 8 are at the most risk of expiration. Within those six most populated counties, not only is subsidized housing disproportionately located within the urban core and low-income Qualified Census Tracts overall, but this is exceptionally true of projects with expiring subsidies.

Number of Federally-Subsidized Rental Units by County



Source: National Housing Preservation Database

FISCAL YEAR 2016 ANNUAL PLAN

The following strategic priorities provide a framework for OHFA's ongoing performance management efforts in Fiscal Years 2015-2017. One-year goals and activities for FY 2016 do not appear in order of importance. The goals and activities establish an approach for achieving near-term outcomes.

STRATEGIC PRIORITIES

Priority 1

Sustain and Advance OHFA Through Its Core Programs

The continued success of the First-Time Homebuyer and Housing Tax Credit programs will increase affordable housing opportunities in Ohio and sustain the Agency financially. Placing OHFA's core programs at the forefront of the Agency's long-term strategy reaffirms the importance of these programs to the purpose for which the Agency was created: financing housing opportunities for low- and moderate-income families and individuals.

Priority 2

Demonstrate Impactful and Measurable Results

The growing complexity of housing needs in Ohio requires strategies that focus on evidence-based housing solutions and evaluation of outcomes. OHFA will thoroughly evaluate and consider the costs and benefits before undertaking any new initiatives. OHFA's housing investments must provide measurable benefit by leveraging expertise and capital for maximum impact. Effective investments will drive economic growth while also providing housing opportunity for low- and moderate-income individuals and communities.

Priority 3

Concentrate Efforts on the Highest Priority Housing Needs

OHFA is accountable for identifying and addressing the housing needs of Ohioans. The Agency will offer cost-effective products and services to address housing needs that market forces alone cannot or will not resolve. Consistent with its mission, OHFA will create and preserve affordable rental housing for low- and moderate-income families, assist people with special needs, improve neighborhoods and communities, support homeownership and generate positive economic impact.

Priority 4

Act as an Entrepreneur in Advancing OHFA's Mission

An entrepreneur embodies the following traits typically found in the private sector: manageable risk-taking, operational efficiency, organizational flexibility, resource leveraging and creation, partnership building, innovation and an emphasis on performance. OHFA will incorporate the characteristics of an entrepreneur into strategies and actions that address the affordable housing needs of the state, while consistently providing a high level of customer service and delivering requested business results.

Priority 5

Strengthen OHFA's Workforce Culture

People are an organization's most important asset. An organization's people define its character, affect its capacity to perform and represent the knowledge base of the organization. Accordingly, OHFA cultivates a supportive and respectful organizational culture where engaged employees embrace their responsibility to the public and each other and are recognized and rewarded for their talent, performance and capabilities. By strengthening OHFA's culture, OHFA employees will thrive and stakeholders will receive distinguished and cost-effective services.

2016 GOALS AND KEY ACTIVITIES

Sustain and Advance OHFA Through Its Core Programs**Initiative 1.1****Grow the First-Time Homebuyer program.**

Through enhanced lender and real-estate engagement, outreach to partners and the provision of attractive and sustainable loan products, the Agency will expand access to responsible homeownership opportunities for first-time low- and moderate-income homebuyers.

Initiative 1.2**Provide resources that promote sustainable homeownership and strengthen Ohio's recovering economy.**

OHFA will continue to provide information and resources to homeowners struggling to meet their mortgage payments through the Save the Dream Ohio and National Foreclosure Mitigation Counseling programs. The Agency will also explore new initiatives to facilitate ongoing provision of support for assistance for homeowners and local nonprofits.

Initiative 1.3**Ensure that the Housing Tax Credit program is continually self-sustaining and targets resources to those in need.**

OHFA will engage in planning and evaluation to ensure the sustainability of the Housing Tax Credit program, including policies used to target resources and the collection of fees that support the Agency's ability to fulfill the objectives of the program. OHFA will enhance its asset management office and monitor aging projects to help ensure the physical and financial viability of OHFA's portfolio.

Initiative 1.4**Strengthen the use of asset management assessment tools to identify challenged assets by designing measurable approaches to determine the physical and financial health of multifamily properties.**

OHFA will engage in compliance activities to ensure that properties are compliant with Federal and State regulatory policy. OHFA will develop factors and measures that allow for the early identification of challenged assets through the use of asset management assessment tools, training and annual reporting.

Demonstrate Impactful and Measurable Results

Initiative 2.1

Complete an internal data inventory.

As an incremental step toward connecting data and other information across the Agency's programs and operations, OHFA will complete an internal data inventory. This process will involve identifying, locating and assessing the current management of data and developing standards for ongoing management.

Initiative 2.2

Identify a solution to integrate information for enhanced program evaluation and reporting.

After completing the data inventory described in Initiative 2.1, the Agency will identify an overarching solution to generate enhanced analytics for OHFA's programs and activities.

Initiative 2.3

Convey the impact of OHFA programs through reports and other communications.

OHFA will more compellingly communicate the effectiveness of its investments while facilitating increased understanding of the Agency's mission and activities among key stakeholders.

Concentrate Efforts on the Highest Priority Housing Needs

OHFA's ability to achieve its goal of concentrating efforts on the highest priority housing needs will require targeting and strategic allocation of resources. The purpose of the initiatives are to identify highest priority housing needs or areas for consideration by OHFA in its work of financing affordable housing for low- and moderate-income households. These initiatives are the result of data analysis and trends from the Housing Needs Assessment in conjunction with input from stakeholders and partners. Guidelines, standards and other guidance specific to OHFA's single family and multifamily programs are the instruments through which the initiatives will be achieved.

Initiative 3.1

Create and support housing opportunity and a range of housing choices for both owners and renters in markets throughout the state; also, develop policies and regulations that expand the range of housing choices for low- and moderate-income persons and that further compliance with the Fair Housing Act.

Findings from the Housing Needs Assessment and stakeholder engagement process underscore the importance of affirmatively furthering fair housing by promoting access to housing choice and opportunity. Of all occupied housing units statewide, more than two-thirds were owner-occupied in 2013, a slight decrease from 2000. Additionally, nearly 6.5 million individuals statewide were classified as low- and moderate-income, with a majority of renters in more than 30 counties reporting cost burden. Nearly one-quarter of all homeowners fell into the same category. Housing markets have increased in cost and do not always provide options that are accessible to low- and moderate-income households and deliver attractive education, employment and income opportunities, which all influence a household's decision on where to live.

Initiative 3.2

Promote housing for populations with special and underserved needs including older adults, persons with disabilities, veterans and persons experiencing homelessness.

Demographic and economic trends captured in the Housing Needs Assessment point to an increasing need to serve households with lower incomes and special needs. Older adults represented an increasing share of the population in 2013, and one in every seven Ohioans reported living with a disability. The prevalence of housing cost burden is higher among populations with special and underserved needs, especially those receiving Supplemental Security Income (SSI) and those relying on subsidies to maintain stable housing. Overall, according to the U.S. Census Bureau, 16 percent of Ohioans, and 23 percent of Ohio children, were living in poverty in 2013. While the highest concentrations of poverty were largely concentrated in south central Ohio, rates in mid-size urban counties were particularly high in all corners of the state.

Concentrate Efforts on the Highest Priority Housing Needs

Initiative 3.3

Improve neighborhoods through community and economic development or coordinated strategies that seek to target resources to provide a positive impact on state and local economies; also, promote community development or redevelopment in areas of disinvestment which mitigates adverse impacts to residents.

The Housing Needs Assessment took into account the regional context and county-level conditions of Ohio's housing markets, factors that shape the availability of housing that is affordable to low- and moderate-income households. Differing conditions were observed throughout the state, as were the strategies to creating desirable local outcomes. Rates of unemployment ranged from 3.4 percent in Mercer County to 12.2 percent in Monroe County. Ohio has added nearly 258,200 jobs, with gains concentrated in the professional and business services, education and health services and leisure and hospitality sectors. The median Ohio household earned \$48,308 per year, with a significant disparity seen between owner – (\$62,005) and renter – (\$26,404) occupied households.

Initiative 3.4

Preserve affordable housing stock that is at risk of no longer being affordable.

Many households struggle to afford housing in Ohio, a difficulty that could be far worse without tenant- and project-based subsidies and other forms of federal and state assistance. More than half of renter-occupied households were cost-burdened in 2013, spending more than 30 percent of income on rent and utilities. Even more startlingly, 24 percent of renter households spent greater than half of their monthly income on housing costs. Existing affordable housing plays an integral role in meeting the needs of low- and moderate-income homeowners and renters who are more vulnerable to economic hardships.

Initiative 3.5

Advance livability standards, and the incorporation of sustainable building and design practices that conserve energy and promote a healthy environment for residents; also, foster design and construction techniques that are adaptable for people of all abilities.

Demographic trends presented in the Housing Needs Assessment, as well as feedback received through the stakeholder survey, affirm the need to create and preserve affordable housing that promotes the well-being, health and quality of life of residents. Older adults represented an increasing share of Ohio's population — a trend that will only accelerate as the Baby Boomer generation continues to reach retirement age. An overlapping concern was the housing needs of the nearly one in seven Ohioans who live with a disability. Also expressed was a need to increase the affordability of housing by lowering utility costs and improving durability, as well as the need to make homes safer and healthier by reducing adverse health outcomes from housing.

OHFA PROGRAMS ADDRESSING HIGHEST PRIORITY HOUSING NEEDS

Programs	Initiative 3.1	Initiative 3.2	Initiative 3.3	Initiative 3.4	Initiative 3.5
Capital Funding to End Homelessness Initiative	✓	✓		✓	✓
Community Housing Development Organization	✓	✓	✓		✓
First-Time Homebuyer	✓	✓	✓		
Home for Good	✓	✓	✓		✓
Homebuyer Education	✓		✓		
Housing Development Assistance	✓	✓	✓	✓	✓
Housing Development Loans	✓	✓	✓	✓	✓
Housing Investment Fund	✓	✓	✓	✓	✓
Housing Credits	✓	✓	✓	✓	✓
Mortgage Tax Credits	✓				✓
Multifamily Bonds	✓	✓	✓	✓	✓
Multifamily Lending	✓	✓	✓	✓	✓
National Foreclosure Mitigation Counseling	✓		✓		
Neighborhood Initiative Program	✓		✓		
Ohio 811 Project Rental Assistance	✓	✓			✓
Recycled Tax Credit Assistance	✓	✓	✓	✓	
Save the Dream Ohio	✓		✓		

Act as an Entrepreneur in Advancing OHFA's Mission

Initiative 4.1

Develop and implement a new program approval framework.

Building upon lessons learned from the implementation of the Multifamily Lending Program and National Housing Trust Fund in FY 2015, OHFA will develop a process for considering proposals for new programming or substantial changes to existing programming. Once adopted by the Executive Director, staff will follow this process to identify and assess risks, benefits, costs, resource needs and future reporting, auditing and monitoring requirements of programming proposals.

Initiative 4.2

Implement new programming that is fiscally responsible and mission-conscious, and continually improve the efficiency and effectiveness of existing programming and processes.

OHFA will explore new programs and initiatives that drive its mission, create a quantifiable impact on housing needs and generate benefits in excess of cost. In addition, OHFA will encourage staff to continually evaluate existing programs and processes in the Agency to improve customer service and maximize results.

Initiative 4.3

Strengthen existing and create new relationships with external partners.

Building new partner relationships and strengthening existing ones will help to improve program design and provide opportunities to leverage additional resources. In order to maintain a focus on partnerships, specific strategic relationship goals will be established for each program office.

Initiative 4.4

Stabilize residential neighborhoods and improve local property conditions throughout Ohio via the Neighborhood Initiative Program.

OHFA will work with community partners to prevent foreclosure, remediate blight, spur greening and development and promote stable homeownership investment in neighborhoods affected by abandoned and vacant homes.

Initiative 4.5

Develop, implement and monitor a new program to offer multifamily loans to ensure the long-term financial viability of funded projects.

OHFA will implement the Multifamily Lending Program to address unmet needs in the affordable housing marketplace for smaller, permanent loans at competitive interest rates and develop the Agency's capacity to take advantage of future lending opportunities. OHFA will design compliance measures to evaluate the efficacy of the program by analyzing quarterly and annual financial statements, conducting site reviews, and providing technical assistance.

Strengthen OHFA's Workforce Culture**Initiative 5.1****Offer a rewarding work environment that inspires and engages employees in achieving the mission.**

OHFA will provide training and tools to managers and supervisors that emphasize concepts leading to employee engagement; will recognize employees for their talent, performance and capabilities; and will connect each employee to his or her role in supporting the Agency's mission.

Initiative 5.2**Maximize employee potential through development and training.**

OHFA recognizes the importance of creating opportunities and building new capabilities to help employees excel and will provide training and development alternatives tailored to the needs of staff.

Initiative 5.3**Optimize work performance to deliver a high level of customer service and requested business results.**

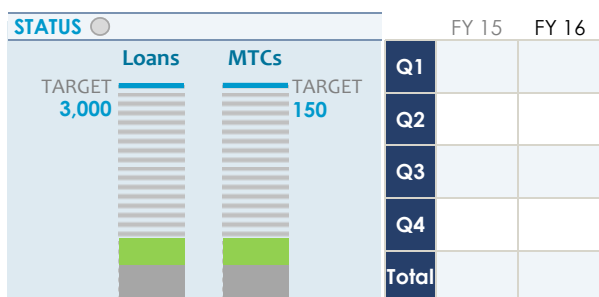
OHFA will continue to provide managers with tools to set goals that are aligned with the Agency's mission and to support individual employee development.

Initiative 5.4**Continue to build channels for the exchange of feedback and knowledge.**

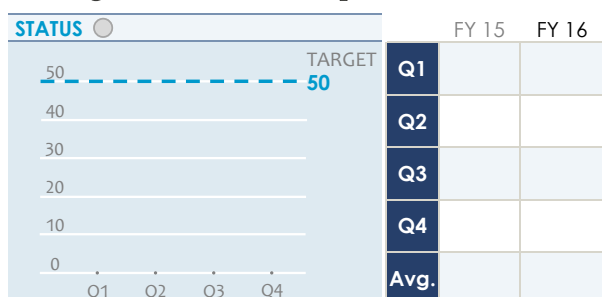
OHFA will create avenues for staff to celebrate achievements, voice concerns and learn about OHFA programs and activities.

DASHBOARD QUICK REVIEW | Q1 FISCAL YEAR 2016 DRAFT

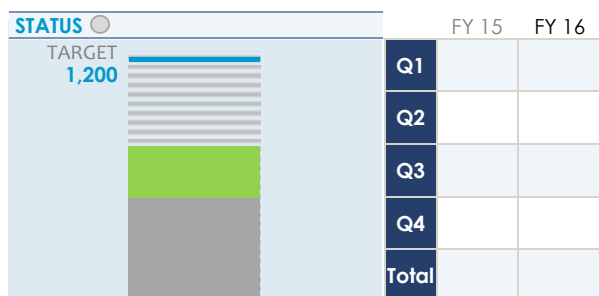
OHFA Loans and Mortgage Tax Credits



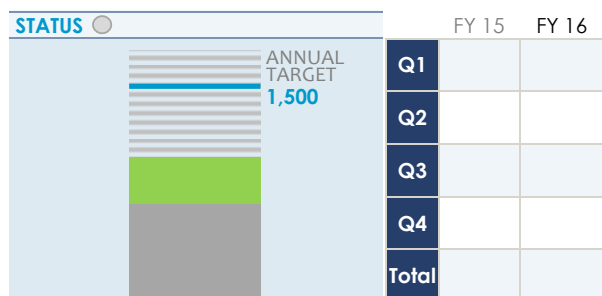
Average number of loans per lender



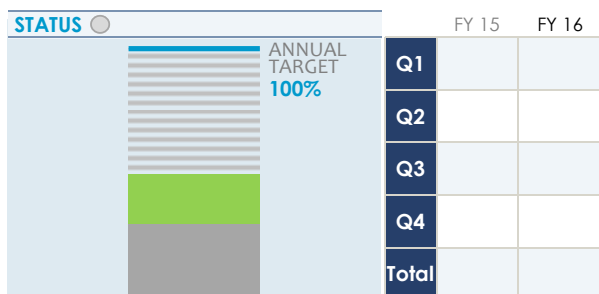
Vacant, abandoned houses razed and greened



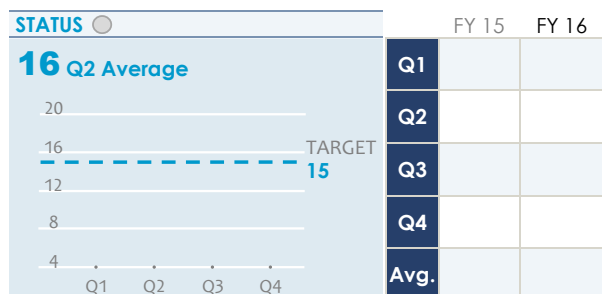
Homeowners receiving foreclosure counseling



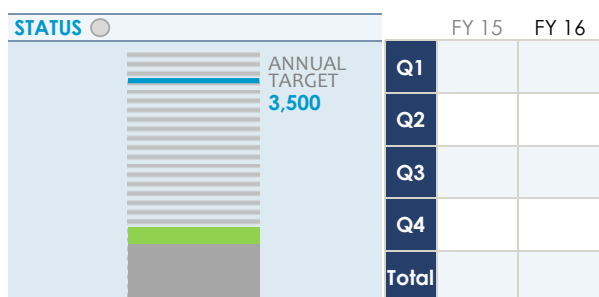
Required property inspections completed



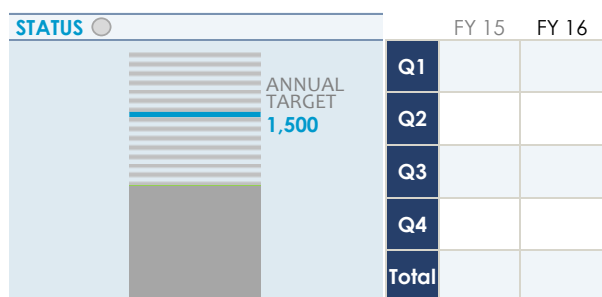
Business days to issue compliance reports



Multifamily units funded



Multifamily units preserved



Legend ● On Target ● At-Risk ● Warning



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