

2015 ANNUAL PLAN

Grow Sustain Promote Engage

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Message from the Executive Director



I am pleased to present the Ohio Housing Finance Agency's (OHFA) Annual Plan for fiscal year 2015, in accordance with the requirements of Section 175.04 of the Ohio Revised Code. OHFA's annual plan describes our strategies to examine the state's housing needs and trends, and our objectives to effectively support the development and implementation of data-driven housing policies and programming.

OHFA ended fiscal year 2014 with a great deal of optimism and confidence that our accomplishments will have a significant impact in Ohio communities in the years ahead. The demands placed upon this and all agencies who work in the interest of housing continue to be defined by the growing need for affordable housing and the limitation of available resources. While reviewing last year's milestones, I was particularly impressed by our collective efforts to rise to the challenge and meet the needs of Ohio citizens.

While much of our success can be attributed to the commitment and loyalty of OHFA's talented and dedicated workforce, our achievements as a housing finance agency are ultimately due to the coordinated collaboration of our partners including developers, investors, lenders, real estate agents, property managers, nonprofit organizations, local communities, and many others.

As we continue to expand our relationships with members of the affordable housing community, we realize that our valuable partnerships have made our efforts more impactful. We would also like to thank our Board for its guidance and our stakeholders for their support throughout the year. We are excited for the successful year to come and we have high expectations for continuing our mission to Open the Doors to an Affordable Place to Call Home.

Over the next year, OHFA is committed to focusing on the following priorities:

- 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
- Strengthen OHFA's workforce culture

This report, in addition to the Ohio Housing Needs Assessment, was compiled by the Office of Affordable Housing Research and Strategic Planning in collaboration with the Annual Plan Advisory Board, Annual Plan Committee and Annual Plan Workgroup. The following pages summarize OHFA's methodology to accomplish our goals, support high standards of transparency and stewardship, and provide affordable housing options for Ohioans at the level that our stakeholders expect from us.

With the support of the Kasich Administration and our stakeholders and partners, the OHFA Board adopted the 2015 Annual Plan at the OHFA Board Meeting on June 18, 2014.

Respectfully submitted,

A handwritten signature in black ink that reads "Douglas A. Garver". The signature is fluid and cursive, with a long horizontal stroke at the end.

Douglas A. Garver
Executive Director

About the Ohio Housing Finance Agency

For more than 30 years, the Ohio Housing Finance Agency (OHFA) has served as a respected leader, assuring 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 143,000 households throughout Ohio to achieve the dream of homeownership. As the allocating Agency for the federal Housing Tax Credit program, OHFA has assisted with the financing of more than 100,000 affordable rental housing units since 1987.

Ohio Housing Finance Agency Board



David Goodman,
Chairman

Director
Ohio Development
Services Agency



Andre T. Porter

Director
Ohio Department of
Commerce



Robert A. Alexander

*Retired Senior Vice
President*
PNC Bank



Gregory Arcaro

CEO
Frontier Community
Services



Catherine A. Cawthon

President
Fifth Third Community
Development
Corporation



Betty J. Kemper

President
The Kemper Company



John J. Lynch

Keller Williams Realty



Bill Martin

President
Barrington Homes



Mark A. Totman

Legislative Director
International Union of
Operating Engineers
Local 18

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.



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.

The following sections provide an overview of Agency accomplishments and challenges considered during the fiscal year 2015 annual planning process. Accomplishments highlight OHFA programs and activities that demonstrated efficiencies in achieving the Agency's mission while challenges represent specific issues, problems or needs that may impact the work of the Agency in fiscal year 2015.

Fiscal Year 2014 Accomplishments



Reviewed **200 proposal** applications for competitive resources and assisted with the financing of **75 housing developments**. Total funds awarded included approximately **\$272 million** in Housing Tax Credits and **\$125 million** in various loans and grants.

Awarded \$460,000 from the John D. and Catherine T. MacArthur Foundation to evaluate the effectiveness of federally-funded mortgage payment assistance. OHFA received one of **only six grants totaling \$2.8 million** awarded by the foundation for its How Housing Matters to Families and Communities Initiative.



Unveiled new and enhanced homeownership products and services including Next Home, Mortgage Credit Certificates, homebuyer education, and real estate courses. Further, volatility in the housing market and decreasing revenues from the sale of mortgage revenue bonds necessitated an evolving approach to funding the Agency's First-Time Homebuyer program. Accordingly, OHFA announced a shift from traditional bond financing to a **new market rate structure**.

The Offices of Homeownership, Communications and Marketing, and Affordable Housing Research and Strategic Planning worked together to launch a **targeted advertising campaign** for the First-Time Homebuyer program as part of a coordinated effort to **increase loan reservations**.



Since the implementation of Save the Dream Ohio in September 2010, OHFA has **assisted nearly 20,000 homeowners at risk of foreclosure**. With approximately **\$101 million** in remaining assistance, the Agency estimates this program will provide assistance to an **additional 6,400 households** before the conclusion of the program.

OHFA's workforce has been a major focus in recent years given the need to **maintain optimal staff levels** and replace retiree-eligible individuals in mission-critical positions. The Agency's Office of Human Resources continues to take an integrated approach to **succession planning** and **developing leadership and talent** at all levels of the organization.



Owners and property managers submitted 2013 Annual Owner Certifications via **DevCo**, OHFA's online product for managing data and other information for all multifamily projects.

The U.S. Department of the Treasury authorized OHFA to utilize a portion of the state's remaining Hardest Hit Funds to **stem the decline in home values** in communities affected negatively by vacant and blighted properties. The Neighborhood Initiative Program will provide much needed relief to **11 Ohio counties that were awarded \$49.5 million** in February to tackle blighted properties. A second funding round is anticipated later this year.



OHFA partnered with the Ohio Department of Mental Health and Addiction Services (OhioMHAS) to set aside approximately **\$3 million for the Ohio Housing Trust Fund for the Capital Improvement Program** (CIP). Through this partnership, which initially began as a pilot initiative in 2012, nearly **200 units of affordable housing** for persons with severe and persistent mental illness have been preserved.

In collaboration with the Ohio Development Services Agency (ODSA), advocates, and stakeholders, OHFA unveiled the **Capital Funding to End Homelessness Initiative** (CFEHI). The purpose of the initiative is to provide a one-time capital funding boost to assist local communities with advancing their strategies to end homelessness in Ohio. OHFA will provide **\$32 million** in funding for the state's nine Continuums of Care.



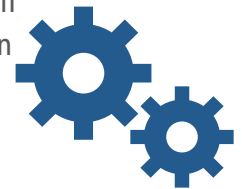
Partnering with the Ohio Department of Medicaid, OhioMHAS, and the Ohio Department of Developmental Disabilities, OHFA submitted an application to the Department of Housing and Urban Development (HUD) for Section 811 Project Rental Assistance Program funding to provide **assistance to more than 500 households**.

Fiscal Year 2015 Challenges



Rising prices and credit constraints increasingly limit the ability of first-time and low- and moderate-income homebuyers to purchase homes. Despite record low interest rates in recent years, low- and moderate-income buyers face a number of **barriers** that prevent entry into the home purchase market. Due in part to the newly implemented Qualified Mortgage guidelines and in part to a general risk aversion amongst lending institutions since the downturn, the standards for credit worthiness and down payment requirements have been much more **stringent** in recent years. At the same time, economic conditions have created a circumstance where potential low- and moderate-income borrowers are challenged by **diminished incomes**, **diminished wealth** reserves and **lower credit ratings**. As such, OHFA is continuing to explore ways to provide competitive interest rates and features that are attractive to borrowers without lessening underwriting standards.

OHFA announced its strategy for **winding down** Save the Dream Ohio, the state's foreclosure prevention program that provides assistance to struggling homeowners. OHFA will continue to process completed registrations through July 31 and estimates that an additional 6,400 homeowners can be assisted before the program closes in 2017. The Agency is also considering ways to facilitate ongoing **supportive assistance** for homeowners and local nonprofits through the development of **interactive online tools**.



A recurring theme in Agency deliberations is the threat of **tax reform**, with the most recent proposals suggesting **substantial changes** to the Housing Tax Credit program as well as the **elimination** of private activity bonds and the 4% Housing Tax Credit. OHFA recognizes the importance of the housing tax credit to addressing the **affordable housing needs of Ohioans** and will continue to monitor efforts to reform the tax code.

Maintaining **optimal staff levels** with the retirement of many leaders in **critical positions** continues to impact OHFA's ability to meet its mission and to operate the programs that sustain the Agency financially. OHFA will continually plan for future human capital needs through its workforce planning and succession planning efforts.



About the Fiscal Year 2015 Annual Plan

The Annual Plan is the document prepared by OHFA to ensure compliance with Section 175.04 of the Ohio Revised Code (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 in all aspects of OHFA's work. It also contributes to a larger performance management structure that aligns other annual processes including workforce planning, program implementation, and performance monitoring.

Annual Performance Management Processes

	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 18, 2014, effective July 1, 2014, 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 linkage between advocacy and policy creation and engagement with stakeholders and partners to identify housing needs and priorities. Key meetings and outreach efforts held in support of the fiscal year 2015 Annual Plan are listed below.

Stakeholder Survey

Between Monday, March 10, and Friday, March 28, 2014, OHFA conducted a statewide housing needs survey to help 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

A vital element in OHFA's annual planning process is the opportunity for public comment on the Annual Plan. A formal comment period was held between Wednesday, April 30, and Friday, May 30, 2014.

Annual Plan Advisory Board Meeting

On Monday, May 5, 2014, OHFA conducted its yearly meeting with the Annual Plan Advisory Board. This group is comprised of external partners and provided input on the Annual Plan, advising Agency leadership on the prioritization of housing needs, and helped the Agency to better understand the full spectrum of housing needs throughout Ohio.

Annual Public Hearing on OHFA Programs and Annual Plan

On Wednesday, May 21, 2014, OHFA conducted its annual public hearing on OHFA programs and the Annual Plan. The hearing provided an opportunity for the public 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 18, 2014 and took effect July 1, 2014. The document outlines priorities, goals and implementation actions that apply to OHFA programs and activities.

Participants in the Fiscal Year 2015 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 is comprised of OHFA board members and 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.

American Midwest Mortgage Company, Jeff Paul

American Mortgage Service Company, Dan Hickman

Coalition on Homelessness and Housing in Ohio, Bill Faith

Coldwell Banker King Thompson, Danielle Alexander

Cuyahoga Metropolitan Housing Authority, Donovan Duncan

East Akron Neighborhood Development Corporation, Fred Vaughn

Fairfield Metro Housing Authority, Jolyn Pugh

Homeport, George Tabit

Huntington, Marcy Ash

Leading Age Ohio, David Brainin

Millennia Housing Development, Christine Robertson

Miller Valentine Group, Ohio Housing Council, Brian McGready

Ohio Capital Corporation for Housing, Hal Keller

Ohio CDC Association, Nate Coffman

Ohio Conference of Community Development, Jack Riordan

Ohio Department of Aging, Janet Hoffman

Ohio Department of Mental Health and Addiction Services, Roma Barickman

Ohio Development Services Agency, Mike Hiler & Karen Fabiano

Ohio Home Builders Association, Vincent Squillace

Ohio Housing Council, Laura Swanson

Ohio Office of Medical Assistance, Kim Donica

Ohio Statewide Independent Living Council, Kay Grier & Mary Butler

PNC Real Estate, Rob Walsh

The NRP Group, Aaron Pechota

Toledo LISC, Brian McGready

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.

Office of the Executive Director

Douglas Garver, Executive Director

Sean Thomas, Chief of Staff

Arlyne Alston, Director of Communications and Marketing

Andrew Bailey, Director of Planning, Preservation and Development

Brian Carnahan, Director of Program Compliance

Cindy Flaherty, Director of Homeownership

Holly Holtzen, PhD., Director of Research and Strategic Planning

Errin Jackson, Director of Debt Management

John Lloyd, Director of Facilities

Clare Long, Director of Human Resources

Steven McVey, Chief Information Officer

Stephanie Casey Pierce, 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

Office of Finance

Anthony Tai, Assistant Director of Finance

Offices of Homeownership and Homeownership Preservation

Carlie Boos, Assistant Neighborhood Initiative Manager

Tonya Brunner, Quality Control Manager

Andi Clark, Bond Accountant Coordinator

Eric Corthell, HHF Counseling Coordinator

Kim Cowie, Consumer Advocacy Manager

John Duy, Bond Accountant Coordinator

Mashelle Gladney-Williams, Assistant Housing Counseling Manager

Dave Gulden, Neighborhood Initiative Manager

Daphne Hawk, Real Estate Relations Manager

Felecia Lucas, Housing Compliance Trainer

Kristal Moon, Housing Development Analyst

Ashleigh Monroe, Assistant Operations Manager

Deborah Somerville, Housing Counseling & Grants Manager

Tom Walker, Business Relations Manager

Office of Internal Audit

Jonathan Adkins, Chief Auditor

Office of Planning, Preservation and Development

Myia Batie, Program and Policy Manager

Kat Berry, Housing Grant Analyst

Kevin Clark, Project Portfolio Manager

Darrell Davis, Housing Grant Analyst

Celia Elkins, Planner

Deborah Leasure, Planner

Office of Program Compliance

James Bauman, Asset Management and Technical Assistance Manager

Tara Campbell, Housing Examiner

Robin Dotson, Housing Examiner

Betsy Krieger, Assistant Director of Program Compliance

Fiscal Year 2015 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. The Office of Affordable Housing Research and Strategic Planning (OAHRSP) 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 fiscal year 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 2015 Annual Plan.

Once a strategic direction was established, more than 30 staff from all levels and functions of OHFA were assembled into planning teams tasked with developing specific action plans to accomplish the long range objectives of the Agency. The Ohio Department of Administrative Services (DAS) and Lean Ohio, a state agency that provides facilitation in planning and improvement processes, were engaged to provide direction and support in the interactive staff meetings.

At the initial planning meeting held on Thursday, February 13, 2014, staff provided input on the five priorities and sought clarification on the purpose and intent behind each. Staff worked through April 2014 to distill all input received into a draft of the planning document, which was released for public comment on Wednesday, April 30, 2014.

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. OAHRSF developed 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.

- 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. Proximity to transportation was seen as most important for residential development, who also felt their communities needed to attract additional young, childless adults as residents.
- Those taking the multi-family 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 service provision 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.

Housing Needs Assessment

The Ohio Housing Needs Assessment is a technical document compiled by OHFA on an annual basis, which brings together statewide data and information about housing tenure, occupancy, quality, distribution and affordability with demographic, social and economic information to examine housing needs, particularly those of low- and moderate-income households and special populations.

Housing Stock

The American Community Survey (ACS) counted 5,124,503 housing units statewide. One in nine (568,794) were vacant. Of the rest, just more than two-thirds (3,098,283) were owner-occupied, while the remainder (1,457,426) were rented. Homeownership rates statewide ranged from 56 percent in Franklin County to 86 percent in Geauga County. Of homes actively for rent, 8.5 percent are currently vacant statewide; of those actively for sale, the figure is 2.3 percent.

Housing Costs

According to ACS, the median Ohio household paid \$853 per month in housing costs, which included rent or mortgage payment (including taxes and insurance) plus basic utilities. This figure was \$1,005 among homeowners and \$710 among renters, but since the median income of owner-occupied households was more than twice that of renters (\$61,772 vs. \$26,167), tenants shouldered far higher housing costs as a percentage of income. Alarming, in 30 Ohio counties, a majority of households were paying 30 percent or more of their income toward housing, the threshold at which the federal government considers a “housing cost burdened” household.



**IN 2012, NEARLY A
QUARTER OF RENTERS
SPENT AT LEAST HALF OF
THEIR INCOME ON HOUSING**

Median income of owner-occupied households was more than twice that of renters

\$61,772 vs. \$26,167

The median Ohio household (owner and renter occupied) paid \$853 per month in housing costs which included rent or mortgage payment plus basic utilities

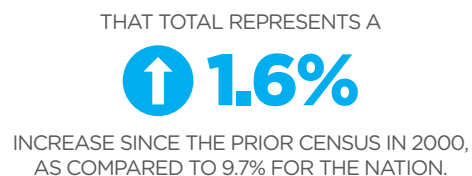
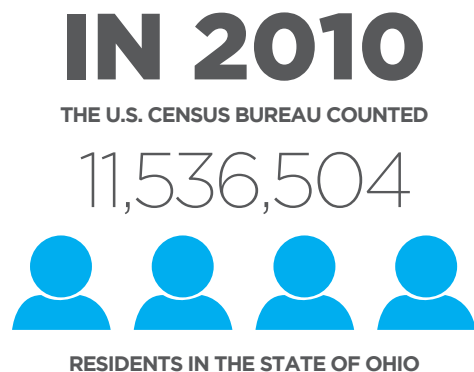
**\$1,005 for Homeowners
\$710 for Renters**

Demographics

The most recent Decennial Census, conducted in 2010, counted 11,536,504 residents in Ohio. That total represented a slim 1.6 percent increase since 2000, with 34 of 88 counties losing residents over that period. Moreover, this was much less than the national growth rate of 9.7 percent during the same period. Density varied widely from county to county, ranging from 32 people per square mile in Monroe County to 2,800 in Cuyahoga. Population growth is projected to slow to 0.04 percent per year (vs. 0.67 percent nationally) between 2015 and 2040. Most counties are expected to lose residents, with growth concentrated primarily in Central Ohio and a handful of other suburban counties.

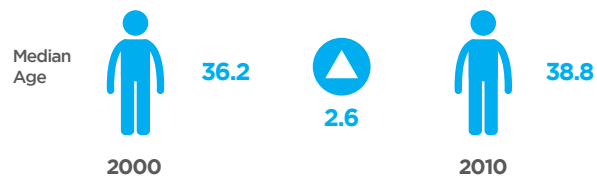
Special Populations

Ohio's median age increased from 36.2 in 2000 to 38.8 in 2010, with higher figures in much of the eastern part of the state. Nearly one in seven Ohioans lived with a disability, 24 percent of which lived below the federal poverty line. More than 1.3 million Ohioans lived alone, comprising 12 percent of residents and 29 percent of households, far larger shares than just 20 years ago; more than a third of these people were aged 65 years or older.



AGE

Seniors represented an increasing share of the population, a trend that will only accelerate as the Baby Boom generation reaches retirement age.



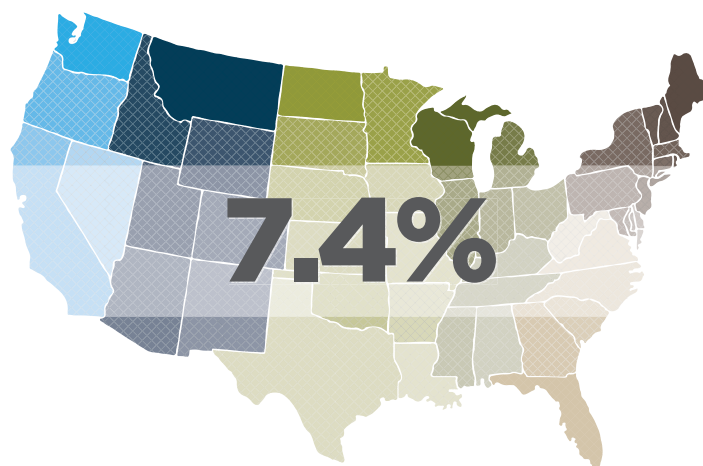
DISABILITY



POVERTY



IN 2013, THE AVERAGE UNEMPLOYMENT RATE IN OHIO AND THE U.S. WAS



5,252,400
JOBS WERE REPORTED
BY EMPLOYERS IN 2013



The above number represents a loss of 2% (or 107,100 jobs) from five years prior.

11 counties saw unemployment rates as high as **10%**



\$830

Amount average worker in Ohio earns per week.

Payrolls increased in educational and health services, leisure and hospitality and professional and business services.



Substantial job losses were reported in manufacturing and trade, transportation and utilities.

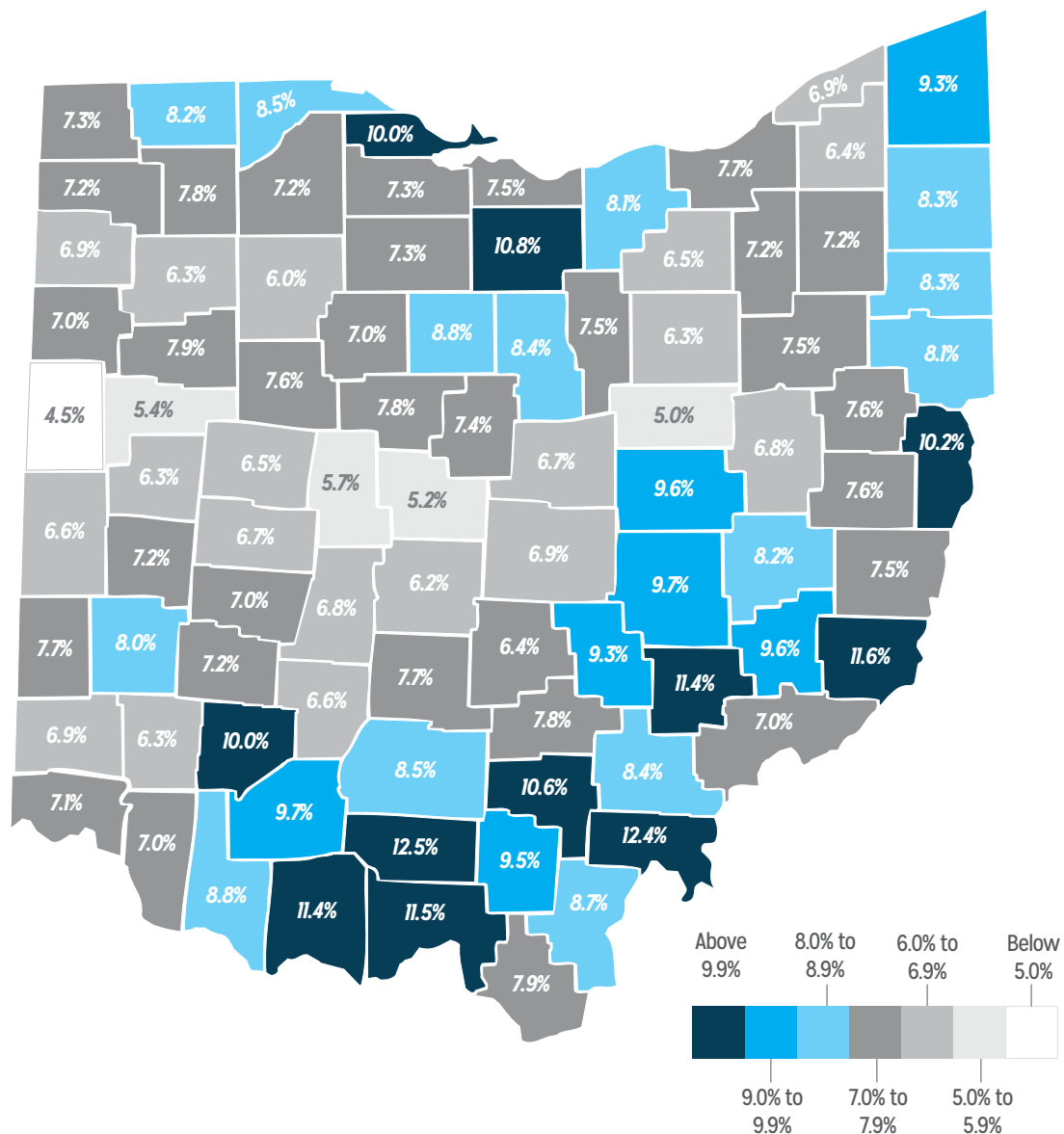
Employment and Wages

The average Ohio worker, according to Ohio Labor Market Information, made \$830 per week in the second quarter of 2013. Private sector workers made \$79 more per week in 2013 than 2008, thanks to modest increases in both the number of hours worked and hourly wages. Overall, employers reported filling 5,252,400 jobs in Ohio in 2013, down 107,100 (or 2 percent) from 2008. Payrolls increased in economic sectors dominated by low-wage service jobs, while substantial job losses were reported in higher-paying sectors like manufacturing and transportation. Ohio also lagged the nation in educational attainment; in 20 largely rural Ohio counties, less than one in five adults had credentials beyond a high school diploma.

Poverty and Unemployment

In 2013, the average unemployment rate in Ohio was 7.4 percent, equaling the national rate. Economic distress was not uniform statewide, with 11 counties – mostly situated in Appalachia – still seeing unemployment rates at or above 10 percent in 2013, while Mercer County experienced joblessness of only 4.5 percent last year. Overall, according to the U.S. Census Bureau, one in six Ohioans and nearly one in four Ohio children were living in poverty in 2012. While the highest concentrations of poverty were largely located in the south-central portion of the state, rates in mid-size urban counties were particularly high in all corners of the state.

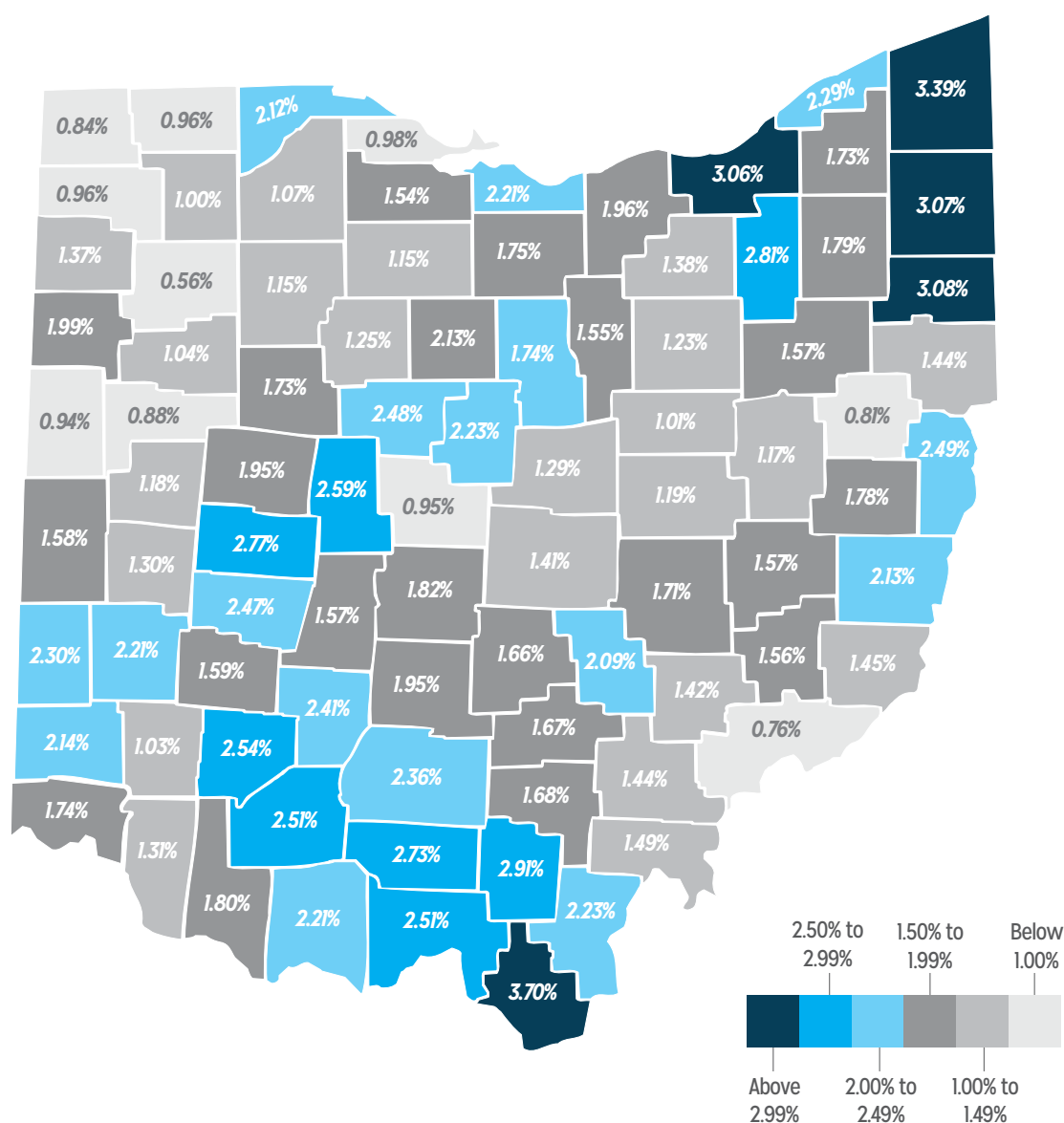
Unemployment Rate by County, 2013 Average



Foreclosure and Delinquency

The overall foreclosure rate – the percentage of mortgaged homes that are in the foreclosure process – was just under 2 percent in Ohio in January 2014, down substantially from a peak of 3.7 percent but still well above pre-crisis levels; in all but one county, foreclosure rates were down year over year. Similarly, the percent of loans that are more than 90 days delinquent fell to 5.3 percent from 7.6 percent in January 2010, though this is dramatically higher than much of the pre-crisis period. As with foreclosures, delinquency rates also varied widely, ranging from 1.7 percent in Putnam to 8.0 percent in Ashtabula, with only five counties seeing fewer delinquencies in January 2014 than a year prior.

Foreclosure Rate by County, January 2014



Fiscal Year 2015 Annual Plan

The following strategic priorities were presented and adopted by OHFA's Board on Wednesday, June 18, 2014, and provide a framework for OHFA's ongoing performance management efforts in fiscal years 2015-2017. One-year goals and activities for fiscal year 2015 do not appear in order of importance and establish an approach for achieving near term outcomes.

Strategic Priorities

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.

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.

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 persons with special needs, improve neighborhoods and communities, support homeownership, and generate positive economic impact.

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.

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.

2015 Goals and Key Activities

Sustain and Advance OHFA Through Its Core Programs

Initiative 1.1

Grow the First-Time Homebuyer program.

Through consumer advertising, enhanced lender and real-estate engagement and the provision of attractive and sustainable loan products, the Agency will expand access to homeownership opportunities for first-time and 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 prospective and current clients struggling to meet their mortgage payments with assistance from the Save the Dream Ohio and National Foreclosure Mitigation Counseling programs. The Agency will also explore ways to facilitate ongoing provision of supportive assistance for homeowners and local nonprofits through development of interactive online tools.

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.

Initiative 1.4

Strengthen use of the Watch List policy to identify troubled properties and design measurable approaches to remedy issues.

An intervention system for troubled properties is essential to ensure that properties are well-managed and remain in compliance with the requirements of the Internal Revenue Code (IRC). OHFA will continue to review factors and measures that allow for the early identification of troubled assets and refine approaches and tools to assist owners of these properties.

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 impacts of its investments while facilitating increased understanding of the Agency's mission and activities among stakeholder audiences.

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- 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 promoting access to housing choice and opportunity. Of all occupied housing units statewide, more than two-thirds were owner-occupied in 2010, a slight decrease from 2000. Additionally, nearly five million individuals statewide were classified as low- and moderate-income, with a majority of renters in more than 30 counties reporting housing distress or cost burden. Nearly one-third of all homeowners fell in the same category. Housing markets have increased in cost and do not always provide options that are cost accessible to low- and moderate-income households and deliver attractive education, employment and income opportunities – other factors that influence a households' 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 the homeless.

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 2012, 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, one in six Ohioans, and nearly one in four Ohio children, were living in poverty in 2012. 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.

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 2012, 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. Foreclosure filings remain higher than pre-crisis levels and more than 25 percent of all homeowners are classified as “seriously underwater” – owing more than 125 percent of their home’s value. 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 3.4

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

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 Boom generation reaches retirement age. An overlapping concern was the housing needs of nearly one in seven Ohioans living 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 impacts of housing.

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.

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 4.5 percent in Mercer County to 12.5 percent in Pike County with joblessness increasing in 77 counties and decreasing in only nine since 2008. During the past five years, Ohio has lost more than 100,000 jobs with cuts overwhelmingly concentrated in the construction, information, and manufacturing sectors. The median Ohio household earned \$48,246 per year, with a significant disparity seen between owner (\$61,772) and renter (\$26,167) occupied households.

OHFA Programs Addressing Highest Priority Housing Needs

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

Act as an Entrepreneur in Advancing OHFA's Mission

Initiative 4.1

Develop and implement an initiative review committee and process.

OHFA will develop a process for considering proposals for new programming or substantial changes to existing programming. This committee would be tasked with identifying and assessing risk and making recommendations to the OHFA Board and Executive Director.

Initiative 4.2

Implement new programming that is fiscally responsible and mission conscious.

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.

Initiative 4.3

Strengthen existing and create new relationships with external partners.

Building new and strengthening existing relationships 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 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 remediate blight, spur greening and development, and promote stable homeownership investment in neighborhoods impacted by abandoned and vacant homes.

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 to managers and supervisors that emphasizes concepts leading to employee engagement, employee recognition and connecting 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 for employees to excel and build new capabilities 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 aligned with the Agency's mission and to support an employee's 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 to learn about OHFA programs and activities.

Monitoring Performance

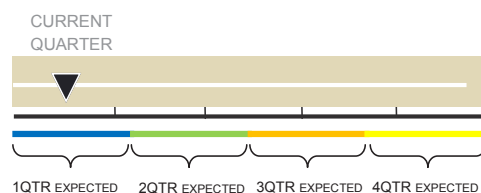
2015 Quarterly Performance Dashboard

*Please note that program targets are being analyzed and finalized for inclusion in the final draft of the Annual Plan.

DASHBOARD QUICK REVIEW | FISCAL YEAR 2015



LEGEND



COMMENTS



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