

# **A SUMMARY OF OHIO'S HOUSING PROGRAMS**

**Ohio Legislative Budget Office**

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# *Legislative Budget Office*

*... a nonpartisan agency providing fiscal research for the Ohio General Assembly*

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## MEMORANDUM

To: Representative Rose Vesper

From: Katherine B. Schill, Sybil Haney and Brian Friedman

Date: March 25, 1999

Subject: Assessment of Ohio's Housing Programs

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This report is in response to your request for an assessment of Ohio's housing programs and activities. The request included a determination of what programs exist to provide affordable housing or subsidize affordable housing programs. Specific questions were:

- What programs exist statewide and at the local level to provide housing for low-income persons and families?
- How are the states' programs meeting the need of affordable housing?
- How efficient are programs in attempting to meet this need? Are there any duplicate efforts? What performance measures are in place?
- What are the responsibilities of landlords, owners, and tenants that benefit from the programs?
- How do the state's programs address environmental concerns such as transportation access, public safety, and crime?

The report focuses on the housing programs operated by the Department of Development. These programs are outlined and a short funding history is given. Also included is a brief summary of Ohio's Section 8 Housing Program, a discussion of the Private Activity Volume Cap, and some additional suggestions to consider for program improvements.

Unaddressed at this time are some of the broader questions concerning the responsibilities of landlords, owners and tenants, and the decisions leading to a project's geographic location. Many of these issues are covered by local government ordinances including housing authority law, zoning law, public safety law. For these reasons, the questions about the outside environment and about non-state programs were not answered.

If you have any further questions, please call Kathy at 644-7764.DEV

## **Executive Summary**

### **Ohio's Housing Programs**

- After several decades of federal support, housing became a state policy issue in Ohio during the 1980s. In 1983, the Governor's Commission on Housing was created to identify the role of the state in the development and preservation of affordable housing and to monitor the status of current and future housing needs.
- The determination of housing need in Ohio, which follows eligibility standards set by the U.S. Department of Housing and Urban Development, is based on an area's median family income. Housing costs are determined to be a burden or as unaffordable when the total amount spent for housing comprises 30 percent or more of a family's total income.
- Ohio's state-administered housing programs exist to benefit primarily low- to moderate-income persons.
- While housing programs can be found in at least six other state agencies, the Ohio Department of Development operates seventeen different housing programs from various offices within the agency. The Community Development Division administers a total of ten programs which provide mostly grant assistance to local governments, non-profit and for-profit housing development organizations. The Ohio Housing Finance Agency administers seven programs which provide mainly loans or tax credits for first-time homebuyers or for rental housing developers.
- In FY 1998, the Community Development Division oversaw more than \$63.0 million in allocations for housing and shelter assistance, and more than \$68.8 million in allocations for home energy assistance. Similarly, the Ohio Housing Finance Agency oversaw more than \$244.4 million in loans, \$15.6 million in tax credits, and \$52.7 million in rent subsidies to support Ohio's affordable housing efforts.
- Regarding federal Section 8 housing, Ohio faces an uncertain future due to the pending expiration of contracts for low-income housing that is currently provided by private landlords. Approximately 841 projects with 59,385 units will expire before calendar year 2002. It is not known at this time how many contract agreements will be renegotiated nor how many landlords will leave the program.
- Regarding Ohio's private activity volume cap, recent demand has outpaced the federally imposed limit on the amount of bonds that Ohio can exempt from federal income taxes in a given year. In 1998, the allocation totaled \$559.3 million. Of this amount, allocations specifically for housing were as follows: \$168.8 for multi-family rental housing, \$103.1 for mortgage revenue bonds and zero for mortgage credit certificates. For 1999, only about one-fifth of the current year allocations have been designated: \$39.2 for exempt facility and \$65.8 for the Ohio Housing Finance Agency.

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## SECTION I: A BACKGROUND OF HOUSING POLICY

### *The Beginning of Ohio's State Housing Policy*

Although the federal Housing Act was passed in 1949 and the Section 8 program began during the 1970s, housing became a state policy issue during the 1980s. During this time, interest rates made housing unaffordable for low-income Americans. Since 1983, the state implemented different projects to increase the availability of affordable housing, but without a systematic approach.

The Governor's Commission on Housing was created by Executive Order 89-16 in 1989 to address the range of problems impacting housing affordability. The commission found that during the 1980s, the growth in housing costs was much higher than the growth of family incomes.<sup>1</sup> This variance in costs exceeding income was even greater for residents in rental properties than in owner-occupied ones. The commission's task was to make recommendations to meet low-income housing needs, based on a review of the following<sup>2</sup>:

- the proper role of the state in the development and preservation of affordable housing;
- the adequacy of existing structures, administration of state housing programs, and the resources needed to meet the future housing needs;
- programs to satisfy affordable housing needs.

The commission formulated a number of recommendations regarding potential state initiatives. Among the commission's recommendations were the following: make housing a public purpose; create a housing trust fund with a dedicated revenue source; create a community housing partnerships program; evaluate housing development programs every two years; and reconvene a Governor's commission on housing once per term of office.

The recommendations became the basis for the Department of Development's housing programs. Housing became a public purpose, a housing trust fund was established, and the Office of Housing and Community Partnerships was created. However, the recommendations for regulations and reevaluating options have not been implemented. The infrastructure for distributing federal and state funds was put into place, but the means for regulating and reevaluating options have yet to be fully addressed.

The next executive-appointed housing assembly was the Governor's Advisory Committee on Financing the Housing Trust Fund (GACFHTF), which was convened after H.B. 339 established the Ohio Housing Trust Fund in 1991. The Housing Trust Fund was created to provide for affordable housing for mostly low-income Ohioans (see description and funding of the trust fund in Section II). H.B. 339 did not tackle the monumental task of establishing a permanent source of funds for the trust fund. The task of establishing options for a permanent source fell upon the laps of the GACFHTF.

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<sup>1</sup> Governor's Commission on Housing, *Affordable Homes - Within Our Reach*, 1989.

<sup>2</sup> Ibid.

The committee recommended three options for financing sources: revenues generated from a real estate conveyance fee, revenues from estate taxes, and those from county recorder fees. None of the options have been favorable for legislation, so the trust fund remains without a permanent source of funds. As a result, since 1991, appropriations for the housing trust fund have originated from a variety of different funding sources.

*Federal and State Guidelines on Determining Housing Need*

Eligibility for federal and state housing funds is determined primarily by the extent to which programs provide housing for low-income persons or families. Personal or family income is measured in terms of median family income by location, set by HUD and based on the number of members of a family. The levels differ by metropolitan statistical area or non-urban county. For federal programs and for Ohio's state-funded housing programs, income levels are set at a percentage of the area median family income (AMFI):

**Categories of Area Median Family Income (AMFI)  
Used to Determine Eligibility for Housing Assistance**

<35% of AMFI	=	extremely low-income
36-50% of AMFI	=	very low-income
50-64% of AMFI	=	low-income
65-80% of AMFI	=	moderate-income

Specifically for Ohio Housing Trust Fund moneys, Ohio Revised Code Chapter 175 requires that at least 75% of loans and grants be used to provide housing and housing-related services for families and individuals that earn up to 50% of the area's median income. A maximum of 25% of loans and grants may be used for families and individuals that earn up to 80% of the area's median income.

According to HUD standards, housing costs are a burden or unaffordable if, when combined with utility costs, the total amount spent for housing comprises 30% or more of total income. Therefore, a person living in Cincinnati who earns minimum wage (currently \$5.15) and works 40 hours per week would earn approximately \$10,700. This amount is about 50% of the AMFI for a one-person family. Any housing costs higher than about \$268 would be deemed cost burden.

A closer examination of factors such as family income, rent burden (rent as a percentage of income), and the number of low-income, special needs persons and homeless persons would give an excellent picture of housing need in Ohio. However, this kind of data is collected periodically through the decennial Census. This information is crucial for determining trends in demographics and housing, but its accuracy is valid for only a few short years after the Census is completed. Census data becomes dated quickly because of changes that influence income levels, migration patterns and environmental impacts. For instance in 1989, when census data was taken for the 1990 Census, the median family income for the entire state of Ohio was \$34,351.

HUD estimated a median family income for Ohio of \$46,400 for 1997.<sup>3</sup> Similarly, in Ohio many of the counties and cities have experienced migration levels in the 1990s that would render 1989 data obsolete. Thus, in 1999, it is difficult to assess the critical elements needed for updating housing need in Ohio. An examination of housing data would be appropriate shortly after the 2000 Census.

It is hard to gauge how many people and families earn incomes at or less than the AMFI for states and counties. However, on a nationwide level, federal reports from HUD and the Low Income Housing Coalition show the lack of affordable housing continues to be a problem for low-income persons and families. The study The State of the Nation's Housing finds that nationwide the gap between the amount and the need for affordable housing remains at an all time high of over \$5 million.<sup>4</sup>

## **SECTION II: HOUSING PROGRAMS OF THE DEPARTMENT OF DEVELOPMENT**

The Department of Development's housing programs, which benefit primarily low- to moderate-income persons, are administered through the Ohio Housing Finance Agency and through the Community Development Division (CDD). While the Ohio Housing Finance Agency's programs consist of mainly *loans or tax credits*, programs offered by CDD's Office of Housing and Community Partnerships (OHCP) provide primarily *grant* assistance to local governments and non-profit organizations to expand or improve Ohio's affordable housing stock. Some programs are based on community-wide plans. The administration of Ohio Housing Trust Fund programs, providing a variety of financial assistance opportunities for eligible applicants, is shared by OHFA (*loan and loan guarantees*) and OHCP (*grants*).

In addition, CDD's Office of Community Services (OCS) and Office of Energy Efficiency (OEE) provide *grant* assistance to low-income households that have a specific energy or home weatherization need. The aim of these programs is to provide timely assistance to avoid displacement from an existing housing unit.

The following table provides an organizational overview of the department's 17 housing programs and the offices responsible for the administration of each program.

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<sup>3</sup> Source: U.S. Department of Housing and Urban Development, Office of Policy Development and Research.

<sup>4</sup> Harvard Political Review, State of the Nation's Housing, Harvard University, 1998.

*Housing Assistance Programs in Ohio*  
**Programs Administered by the Ohio Department of Development**

<b>Community Development Division</b>	
<i>Grant Funding</i>	
<i>Sources: Federal Funds, GRF, Ohio Housing Trust Fund</i>	
Number of Division Employees: 128 FTE	
Program	Office
1 Community Housing Improvement Program (CHIP)	HCP
2 Housing Development Assistance Program	HCP
3 Emergency Shelter Grants	HCP
4 Transitional/Supportive Housing	HCP
5 Housing for Persons with AIDS	HCP
6 Community Housing Development Organizations	HCP
7 Housing Trust Fund - Request for Proposals	HCP
8 Migrant Labor Camp Improvements Program	HCP
9 Home Energy Assistance Program	OCS
10 Home Weatherization Assistance Program	OEE
* HCP- Housing and Community Partnerships; OCS- Office of Community Services; OEE- Office of Energy Efficiency	

<b>Ohio Housing Finance Agency</b>	
<i>Loans, Loan Guarantees, and Tax Credits</i>	
<i>Sources: Mortgage Revenue Bond proceeds, IRS Tax Credits, Housing Trust Fund, and Federal Funds</i>	
Number of Division Employees: 102 FTE	
Program	Section
1 First-time Homebuyer Program	HO
2 Downpayment Assistance	HO
3 Mortgage Credit Certificate	HO
4 Housing (Tax) Credit	P & D
5 Affordable Housing Loan	P & D
6 Multifamily Housing Loan	P & D
7 Section 8 Rental Housing Assistance	HM
* HO- Home Ownership; P&D- Planning & Development; HM- Housing Management	

## COMMUNITY PARTNERSHIPS AND COMMUNITY SERVICES FOR HOUSING

Housing decisions for the Office of Housing and Community Partnerships (HCP) programs are based on recommendations found in the Ohio Consolidated Plan, a comprehensive annual plan created to maintain or enhance federal funding which supports state housing and community development activities. Regional community development representatives collectively generate housing recommendations or priorities.

For state FY 1999, Ohio's top housing priorities are as follows:

1. ***To increase the supply of low-income rental units*** - The focus on Ohio's supply of low-income rental units is the top priority due to cost increases for renters and the decrease in affordable housing units. According to the Consolidated Plan, over 73% of all extremely low-income renters pay rent that comprises over 30% of their income. Also, additional rental units are needed because of a decline in the production of multifamily housing units, plus the deterioration of older housing stock.
2. ***To ease the cost burden for low-income homeowners*** - Most of this assistance would be for housing repair costs. Although mortgage rates are lower than they were in 1990, the cost of purchasing or constructing houses remains high. Provisions for heating these low-income, owner-occupied houses are included in project descriptions.
3. ***To provide shelter for the increasing numbers of homeless persons and families*** - In addition to building new shelters and repairing or renovating older ones, providing supportive services to homeless persons is also an objective.
4. ***To provide supportive services for non-homeless special needs persons*** - Supportive services such as counseling, assistance, and training is needed for elderly persons, disabled persons and persons with other health-related needs.

These priorities represent a combination of new construction, housing rehabilitation, repairs for housing units and shelters, and the subsidization of supportive services for homeless and special needs persons.

Separate from housing development activities, Ohio's energy assistance subsidies seek to assist low-income households that face high-energy costs in their current housing units. These energy grants are governed by federal poverty guidelines that determine a household's eligibility.

The following table summarizes ten major housing programs that provide housing assistance to low- and moderate-income Ohioans. Eight of these programs are administered by the Office of Housing and Community Partnerships, one is administered by the Office of Community Services, and one is administered by the Office of Energy Efficiency.

**Table 2: Major Housing Programs  
Community Development Division**

PROGRAM	NEED SERVED	FUNDING SOURCES <sup>5</sup>	SFY 1998 ALLOCATIONS
<b>I. COMMUNITY IMPROVEMENT PROGRAMS</b>			
<b>Community Housing Improvement Program</b>	Rehabilitated owner-occupied and some rental housing for low-income persons and families; some aid for homeless programs	Federal CDBG Federal HOME State OHTF  Total	\$16,159,335 \$13,253,865 \$497,000  \$29,910,200
<b>Housing Development Assistance Program</b>	New housing opportunities (rent and own); rehabilitation for very-low income	Federal HOME State OHTF State GRF Total	\$11,785,500 \$5,348,600 \$250,000 17,384,100
<b>Community Housing Development Organizations Competitive Operating Grant</b>	Subsidies for operating costs of CHDOs	Federal HOME	\$420,000
<b>II. TEMPORARY AND TRANSITIONAL HOUSING</b>			
<b>Emergency Shelter Grant Program</b>	Homeless shelters operations	Federal ESG Federal CDBG State GRF Total	\$1,939,900 \$511,600 \$2,722,600 \$5,174,100
<b>ESG Discretionary</b>	Emergency situations at shelters	State GRF Federal ESG Total	\$248,300 \$112,200 \$360,500
<b>Supportive Housing for Homeless Persons</b>	Transitional and permanent housing for homeless persons	State GRF	\$2,609,800
<b>Migrant Labor Camp Improvements Program</b>	Housing for agricultural laborers	State OHTF	\$218,800
<b>III. SPECIAL NEEDS HOUSING</b>			
<b>Housing for Persons with AIDS</b>	Low-income persons with AIDS or HIV	Federal HOPWA	\$1,027,000
<b>IV. HOUSING TRUST FUND</b>			
<b>Ohio Housing Trust Fund Request for Proposals</b>	Non-profit organizations, local governments, public housing authorities to provide supportive services, repair, and downpayment assistance for low-income persons	State OHTF	\$6,620,000
<b>Ohio Housing Trust Fund Special Projects</b>	Various projects to benefit low- to moderate-income persons	State OHTF	\$1,255,400
<b>V. ENERGY ASSISTANCE/ ENERGY SAVINGS PROGRAMS</b>			
<b>Home Energy Assistance Program</b>	Winter heating cost subsidies for low-income and elderly persons	Federal Low-Income Energy Assistance, Federal Oil Overcharge GRF match	\$49,000,000
<b>Home Weatherization Assistance Program</b>	Energy efficiency services for low-income households	Federal Low-Income Energy Assistance, GRF match	\$19,883,177

<sup>5</sup> Spending by fund data obtained from the Office of Housing and Community Partnerships and the Housing and Community Development Annual Report 1998.

**Table 3: Federally Funded Programs**

<b>FEDERAL FUNDS: COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)</b>
<b>Purpose</b> – community-planned community development, housing rehabilitation, and housing repair projects
<b>Recipients</b> – non-urban counties, cities with populations of less than 50,000
<b>Beneficiaries</b> – low- to moderate-income persons and families
<b>Programs funded</b> – CHIP, ESG sometimes
<b>SFY 98 Awarded Amount</b> - \$16.7 million

<b>FEDERAL FUNDS: HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)</b>
<b>Purpose</b> – new housing construction and rehabilitation for homeownership
<b>Recipients</b> – non-urban counties, local non-profit community housing development organizations, and certain urban jurisdictions
<b>Beneficiaries</b> – low- and very-low income persons and families
<b>Programs funded</b> – CHIP, HDAP, CHDO Competitive Operating Grant
<b>SFY 98 Awarded Amount</b> - \$25.5 million

<b>FEDERAL FUNDS: McKINNEY EMERGENCY SHELTER GRANT PROGRAM (ESG)</b>
<b>Purpose</b> – operating costs and supportive services of homeless shelters
<b>Recipients</b> – emergency shelters and local governments
<b>Beneficiaries</b> – homeless persons and families
<b>Programs funded</b> – ESG, Supportive Services for Homeless
<b>SFY 98 Awarded Amount</b> - \$1.9 million

<b>FEDERAL FUNDS: HOUSING FOR PERSONS WITH AIDS (HOPWA)</b>
<b>Purpose</b> – planning and associated activity to increase housing for people with AIDS or HIV
<b>Recipients</b> – local governments, certain non-profit organizations
<b>Beneficiaries</b> – persons with AIDS or HIV
<b>Programs funded</b> – HOPWA
<b>SFY 98 Awarded Amount</b> - \$1,027,000

**Community Improvement Programs**

- **Community Housing Improvement Program (CHIP)**

Under this program, grants of up to \$600,000 are awarded for community-wide planned housing activities that improve or provide housing for low- and moderate-income persons and families<sup>6</sup>. Allowable supportive activities include, but are not limited to, water and sewer improvements, rental assistance and emergency monthly housing payments, and housing planning. Eligible communities are non-urban counties or cities with populations of less than 50,000 or non-participating jurisdictions of the HOME program. At least 80% of the funds must be used for activities that benefit low- to moderate- income persons and a maximum of 10% of the funds may be used for administrative costs. To be eligible for funding under CHIP, the communities must have an approved Community Housing Improvement Strategy.

The City of Conneaut in Ashtabula County was awarded a total of \$594,000 through CHIP and the Housing Trust Fund in SFY 1998. These funds will be used to rehabilitate 30 owner-occupied units, provide repairs to ten owner-occupied units, and provide seven

<sup>6</sup> An additional \$10,000 per unit, not to exceed \$100,000, may be awarded for lead-based paint abatement activities.

households with downpayment assistance. The moneys are to be used for households with incomes at or below 50% of the area median income.

In SFY 1998, 88 projects in 51 communities received CHIP grants ranging from \$275,000 to \$700,000 for total spending of \$29,910,200 through this program. Over \$78.7 million has been awarded in CHIP funds since FY 1996.

**Community Housing Improvement Program Grants  
FYs 1996-1998**

<u>ProgramYear</u>	<u>\$ Amount</u>	<u># Grants</u>
SFY98	\$29,910,200	88
SFY97	\$27,094,700	84
SFY96	\$23,807,500	96

• **Housing Development Assistance Program (HDAP)**

The Housing Development Assistance Program (HDAP) provides funding to eligible non-profit organizations, for-profit housing developers, and public housing authorities to develop affordable housing for low- and moderate-income persons. Funding sources for this program consist of HOME Investment Partnerships Program, the Ohio Housing Trust Fund, and the GRF. Program funds are distributed through three different activities, each designed to assist with a specific type of housing development opportunity.

- Housing Credit Gap Financing is available for eligible non-profit organizations, for-profit housing developers, and public housing authorities that seek competitive tax credits through the Ohio Housing Finance Agency. This gap financing may be used for development costs, such as building materials, of new construction or rehabilitation. The maximum grant amount varies from \$300,000 to \$600,000, depending on location and type of project.
- Project Restructuring financing is available for eligible non-profit organizations to acquire or rehabilitate Section 8 or Rural Development projects, or to rehabilitate certain tax credit projects. The grant ceiling is \$500,000 for a Section 8 or Rural Development project and \$350,000 for a tax credit rehabilitation project.
- Non-Profit Housing Development funds are available to eligible non-profit organizations to create renter-occupied or single-family homeownership projects. These moneys may be used to help with acquisition costs, certain costs associated with new construction or rehabilitation, and developer fees.

During SFY 1998, Columbus Housing Partnership, Inc. was awarded three HDAP grants, totaling \$900,000. With these funds, a total of 418 rental units will be constructed. Of these rental units, 261 will be affordable to families with incomes less than 50% of the AMFI.

Since SFY 1996, almost \$51 million in HDAP funds have been awarded. In SFY 1998, 49 grants totaling \$17,384,100 were awarded through this program.

**Housing Development Assistance Program Awards  
SFYs 1996-1998**

<u>Program Year</u>	<u>\$ Amount</u>	<u># Grants</u>
FY98	\$17,384,100	49
FY97	\$19,573,700	67
FY96	\$14,028,016	50

- **Community Housing Development Organizations (CHDOS) – Competitive Operating Grants**

This program provides grants to eligible non-profit community-based housing development organizations. Moneys are used for program development and capacity building. In FY 1998, 17 grants were awarded, totaling \$420,000. Two of these grants went to the Community Action Program of Washington and Morgan Counties and the Bay Area Neighborhood Development of Erie County.

**Temporary and Transitional Housing**

- **Emergency Shelter Grant (ESG)/Discretionary Fund**

The ESG Program provides grants (formula and competitive) for non-profit organizations and local governments for operating expenses, improvements and maintenance of emergency shelter facilities for the homeless. The moneys may also be used for administration costs. For the formula ESG program, the eligible shelters must have previously received funding for non-rehabilitation related activities through the ESG Program. For program year 1999, the formula grant ceiling is \$126,000. The competitive grant program ceiling is \$60,000. The matching requirement for recipients is at least one dollar for every three ESG dollars for the formula program and \$1 to \$1 for the competitive program.

In SFY 1998, 69 formula grants were awarded to emergency shelters and nine grants from the discretionary fund were awarded. Since FY 1996, \$17 million have been awarded under these programs.

**Emergency Shelter Grant/Discretionary Fund  
FYs 1996-1998**

<u>Program Year</u>	<u>\$ Amount</u>	<u># Grants</u>
SFY98	\$5,534,600	78
SFY97	\$5,204,800	75
SFY96	\$6,280,850	119

- **Supportive Housing for Homeless Persons**

This program provides funds for supportive services related to transitional and permanent housing for handicapped homeless persons. Non-profit organizations that provide such services are eligible for the funds. These moneys can be used for operating costs, as well as for services to homeless persons and families. In SFY 1998, \$2.6 million was awarded for supportive services through 53 grants. Since FY 1996, \$7.1 million has been awarded through this program.

- **Migrant Labor Housing – Camp Improvements Program**

The Office of Housing and Community Partnerships administers the Migrant Labor Camp Improvements Program, which has received \$250,000 per year in earmarked GRF appropriations since SFY 1990. These funds help rehabilitate and construct housing for migrant farm workers.

## **Special Needs Housing**

### **Housing for Persons with AIDS (HOPWA)**

The federal HOPWA Program provides grants to non-profit organizations and to local governments to provide housing to persons with HIV or AIDS. Funding awards range from \$10,000 to \$142,700. Eligible activities include mortgage or rent assistance, acquisition, rehabilitation, or construction of permanent housing; drug and alcohol abuse treatment and counseling; and help with daily living. Applicants must match HOPWA funds at a one-to-one ratio. In SFY 1998, eleven grants were awarded, and rental assistance was provided to 695 households. Supportive services were provided to 1,935 HIV-positive individuals and families. In SFY 1998, the state awarded \$1,027,000 in HOPWA Program funds.

## **State - Funded Programs**

### **General Revenue Fund Programs**

General Revenue Fund (GRF) appropriations are used to provide state matching funds and to subsidize the Emergency Shelter Grant and Transitional Housing programs. GRF moneys are also used to fund program development and capacity building costs of community development corporations (CDCs), to provide loan funds for CDC's microenterprise operations, and to subsidize the Ohio Housing Trust Fund (OHTF). In SFYs 1998-1999, \$15.8 million in GRF appropriations went to the OHTF.

In SFY 1998, the Development Department received approximately \$1.6 million in GRF funding for services provided by the Community Development Finance Fund (CDFF). CDFF is a non-profit organization that provides low-interest and long-term financing for housing projects. CDFF also provides funds for feasibility studies.

## Ohio Housing Trust Fund Programs

The Ohio Housing Trust Fund (OHTF) is used to fund programs that benefit primarily extremely-low to very-low income families and individuals. Most of the programs provide loans or grants for downpayment assistance or rental housing development. Eligible recipients for OHTF moneys vary by program, but include low-income homebuyers, developers, resident homeowners, and landlords.

Eligible projects include the following:

- developers' pre-development costs
- homebuyer counseling and rental assistance
- renovating units for ADA compliance
- rehabilitating, repairing, or building new housing.

OHTF moneys are used to help fund the following programs: CHIP, Housing Development Assistance Program, the Downpayment Assistance Program, the Migrant Housing Labor Camp Improvements, and Request for Proposals. Other smaller programs include AmeriCorps, Vista, Community Development Finance Fund, and the Service Coordination Program.

### • Request for Proposals

The Housing Trust Fund Request for Proposals Program awards funds to non-profit organizations and public housing authorities for emergency rent payments, homeless prevention and other supportive services. Since SFY 1996, \$15 million in funding has been awarded under this program.

Of the \$6.6 million in funds distributed in SFY 1998, a \$138,000 grant was awarded to the Area Agency on Aging District 7, Inc., located in Gallia County. This Area Agency on Aging serves senior citizens living in Adams, Brown, Gallia, Highland, Jackson, Lawrence, Pike, Ross, Scotia, and Winton counties. Grant moneys, which will help continue the emergency home repair program for clients with incomes at or below 35% of the area median income, will serve 59 households.

### Housing Trust Fund – Request for Proposals Program SFY 1996 to 1998

Income Level	Amount Awarded	% of OHTF moneys	Beneficiaries
<35% of AMI	\$13,952,722	89.2	82,179
35 – 49% of AMI	\$241,478	1.5	1,249
50 – 64% of AMI	\$1,446,600	9.3	4,115
65 – 79% of AMI	\$0	0.0	0
<b>Total All Levels</b>	<b>\$15,640,800</b>	<b>100.0</b>	<b>87,543</b>

## **Energy Assistance/Energy Savings Programs**

The Department of Development's Community Development Division also administers two home energy programs that benefit low-income persons or households, often elderly or disabled persons. These programs are the Home Energy Assistance Program and the Home Weatherization Assistance Program.

- **Home Energy Assistance Program (HEAP)**

The Office of Community Services coordinates Ohio's Home Energy Assistance Program (HEAP). HEAP provides subsidies to low-income individuals and families to offset the costs of winter heating. According to Development's FY 1998 Annual Report, the HEAP program assisted approximately 208,000 households and the Emergency HEAP program assisted 109,000 households. Expenditures for FY 1998 total \$48,842,498.

- **Home Weatherization Assistance Program**

Development's Office of Energy Efficiency operates the Home Weatherization Assistance Program. Program funds are used to provide services, including installation of insulation, heating system repairs and replacements, and testing, which will help lower household energy costs, and thus create more affordable housing. In FY 1998, the program weatherized 7,463 homes. Expenditures in FY 1998 total \$7,575,938.

## **OHIO HOUSING FINANCE AGENCY**

Created in 1983 by Amended Substitute House Bill No. 1, the Ohio Housing Finance Agency (OHFA) focuses on making housing affordable for those persons earning low- and moderate-incomes. OHFA performs the powers granted in O.R.C. Chapter 175 to institute a variety of programs that provide assistance in the area of home ownership and rental housing development. Overall, the funding for these programs is not from the general revenue fund. Instead, OHFA is a self-supporting, public agency that derives its own revenues through a variety of fees and interest generated by each of the programs it administers.

Mortgage loan funds are raised by the issuance and sale of tax-exempt mortgage revenue bonds. The purpose of the "AAA" rated bonds is to provide qualified homebuyers with mortgage loans at below-market interest rates and support the production of rental units for low- to moderate-income individuals. The agency also receives its funds from HUD contract fees and the receipt of housing assistance payments. OHFA's operating expenses are appropriated through Federal Special Revenue Fund 380 and State Special Revenue Fund 445. For the 1999 fiscal year, OHFA's budget will be \$7,786,529, consisting of \$3,690,319 from Fund 380 and \$4,096,210 from Fund 445. This includes additional appropriations totaling \$1,786,529, which were approved by the Controlling Board on October 19, 1998.

While located within the Department of Development, OHFA is self-directed by a nine-member board. One member represents the Ohio Department of Development and another represents the Department of Commerce. The Governor appoints the remaining seven public members to six-year terms. These appointed members represent a variety of housing and public sector entities.

### OHFA Programs

OHFA administers 7 separate housing programs. Three programs focus on increasing homeownership among low- and moderate-income individuals. The other four programs are directed at the creation and management of rental housing. The following table provides a brief description of each program, funding allocation and number of people served. Please note that the number of people served is program specific and as such, could be misinterpreted. Often individuals qualify for and participate in more than one program and, thus, are double-counted.

### Major Housing Programs Ohio Housing Finance Agency

PROGRAM	NEED SERVED	FUNDING SOURCES	FY 1998 ALLOCATIONS
<b>I. HOME OWNERSHIP</b>			
<b>First-Time Homebuyer</b>	Low-rate mortgages for first-time homebuyers	Mortgage Revenue Bond proceeds	\$127,796,532
<b>Downpayment Assistance</b>	Loans or second mortgages for downpayment assistance and closing costs	State OHTF	\$805,083
<b>Mortgage Credit Certificate</b>	Tax credits for first-time homebuyers	Mortgage Revenue Bond allocation converted to tax credits	-0 <sup>7</sup>
<b>II. RENTAL HOUSING DEVELOPMENT</b>			
<b>Housing (Tax) Credit</b>	Tax credits for developers of affordable housing and continued monitoring of these projects	IRS tax credit allocation	\$15,622,665
<b>Affordable Housing Loan</b>	Loans and guarantees for developers of affordable housing	Transfers from Department of Commerce Unclaimed Funds	\$94,201,299
<b>Multifamily Housing Bonds</b>	Loans for developers of multifamily units (paid from bond revenues)	Mortgage Revenue Bond proceeds	\$21,685,000
<b>Section 8 Rental Assistance</b>	Rent subsidies for owners of affordable housing rentals	Federal Housing Development Funds	\$52,781,663

<sup>7</sup> Due to the lack of a designated volume cap allocation, this program was not funded in FY 1998 (See Volume Cap discussion on page 19). In FY 1997, the program allocation totaled \$82.4 million.

## Home Ownership

- **First-Time Homebuyer**

Also known as the Mortgage Revenue Bond Program, the program focuses on first-time homebuyers or home purchases in targeted areas. Each applicant must meet federal income limits and sales price guidelines. Eligible applicants do not earn more than 115% of the median gross income and the purchase price must be below 90% of the average area purchase price (110% in targeted areas).

If eligible, homebuyers can receive 30-year mortgages at lower-than-market rates (currently at 5.70 percent). The mortgages are originated through the private market at financial institutions located throughout the state. Since 1983, the Agency financed over \$3.45 billion in home mortgages resulting in over 67,000 mortgages. The overall average mortgage is approximately \$75,000 and the average family income is under \$33,000. The following provides information regarding recent bond sales and the resulting mortgages.

### Mortgage Revenue Bond Program

<u>Program Year</u>	<u>Int. Rate</u>	<u>\$ Amount</u>	<u># Loans</u>	<u>Average Loan</u>
1998 Series A	5.70%	\$127,796,532	1,691	\$75,575
1997 Series C	5.95%	\$116,383,811	1,572	\$74,036
1997 Series A	6.40%	\$111,938,072	1,547	\$72,358

- **Downpayment Assistance**

Due to the difficulty in saving funds for a downpayment, this program assists qualified applicants with up to \$2,500 to cover downpayment and closing costs. To recoup the costs, the downpayment assistance program (DAP) becomes a second mortgage on the home. This deferred second mortgage has a term of nine-years and a 0% interest rate. A portion of the loan is forgiven every year, and the loan is completely forgiven after nine years.

Qualified applicants must have income lower than 65% or 80% of the area median income. Interested applicants can visit a number of private banks to apply for the assistance. Since the program's inception in 1992, loans in excess of \$2.34 million were provided to 1,120 families. Over the last two years, 563 loans were issued.

### Downpayment Assistance Loans

<u>Program Year</u>	<u>Int. Rate</u>	<u>\$ Amount</u>	<u># Loans</u>	<u>Average Loan</u>
FY98	0%	\$805,083	350	\$2,300
FY97	0%	\$479,775	213	\$2,252

- **Mortgage Credit Certificate**

A mortgage credit certificate (MCC) assists homebuyers to supplement their total mortgage amount. The certificate allows first-time homebuyers to use 20% (30% in targeted areas) of the mortgage interest as a dollar-for-dollar tax credit on their federal income tax return. The remaining 80% (70% in targeted areas) of the mortgage interest continues to qualify as an itemized tax deduction. To qualify for the program, homebuyers must apply for the fund at any participating lender. The borrower can decide on the terms of the mortgage, then apply the MCC towards the applicable mortgage interest amount.

Since 1983, the MCC program has assisted 13,000 families with \$788 million in financing. The source of funding for this program is the exchange of mortgage revenue bond authority toward the MCC program. Federal law requires conversion of \$100 million of bond authority for every \$25 million of MCCs. Due to recent developments in Ohio's volume cap allocation (see Volume Cap, p. 19), the MCC program was not funded in 1998. The program is expected to continue again in 1999. The following provides allocations of the program over the last three years.

**Mortgage Credit Certificates  
FYs 1996-1998**

<u>Program Year</u>	<u>Int. Rate</u>	<u>\$ Amount</u>	<u># Loans</u>	<u>Average Loan</u>
1998	Program was suspended due to a shortage of volume cap			
1997 MCC	Market	\$82,414,119	1,057	\$77,970
1996 MCC	Market	\$97,760,763	1,275	\$76,675

## **Rental Housing Development**

- **Housing (Tax) Credit**

The housing credit program (formerly known as the Low Income Housing Tax Credit Program) is an incentive program for developers to produce more affordable housing throughout Ohio. Potential projects are rated during a two-round application process. Recently, applicants had a one in three chance of success. The individual amount of federal income tax credit is determined by the project's cost to produce. This includes the cost of acquiring, rehabilitating or constructing the units. The tax credits may not be used towards the land or any non-residential improvements. The credits are awarded based on construction (not maintenance) costs. The total amount of tax credits available is determined annually by the IRS using census data. As described in Section 42 of the Internal Revenue Code, the State receives Housing Credits equal to \$1.25 multiplied by the population each year.

Affordable units are provided to renters that earn less than 60% of the Area Median Gross Income (AMGI) as determined by HUD. Each county has a maximum rent schedule determined by size of household and the AMGI for the county.

The affordable units created must remain in compliance for a period of 15 years. During this initial period, the project is subject to an annual review. If the project fails the review, they may lose their tax credits or the state may enter suit against the development. After this 15-year period, the project must remain as affordable units for an additional 15 years. The second period is required through the use of a restrictive covenant filed with the county recorder. During this period, the project is subject to state review but the forfeiture of tax credit is not possible. After the 30-year holding period, the units can convert to market rate or any other use.

In total, the project must rent at least 20% of the units to households with incomes at or below 50% of the AMGI *or* at least 40% to households with incomes at or below 60% of the AMGI. Rents are restricted at these levels also. In Ohio, most projects historically have been 100% occupied by households with incomes at or below 60% of the AMGI. This full occupancy of low-income residents produces a higher level of tax credits, which translates into more equity for the project. By renting all units as affordable units, the project surpasses the program standard for compliance and thus decreases the likelihood losing any tax credits during the review period.

The tax credits are federal tax credits that are deducted from the applicants' annual IRS return for a ten-year period. This tax credit is a dollar-for-dollar reduction. Since the tax benefits are limited for individuals, the tax credits are often sold to corporations (which have no such limitations) and are, therefore, traded in private financial markets.

The program began in 1987 and since that time, OHFA has allocated over \$140 million of annual credits. These credits resulted in 46,000 rental housing units in 1,033 projects around the state. Since Ohio's population has remained relatively stable, the program's funding has also stayed consistent, as shown below. Projects that do not commence forfeit their award and the credits are recycled for the following year. Since Ohio awards all of its available credit, OHFA qualifies for the national pool of unused credits from other states.

On behalf of the federal government, OHFA conducts annual inspections of at least 20 percent of Ohio's Housing Tax Credit projects. Using IRS-designed regulations, 291 housing credit projects were reviewed in 1998. In addition, all project owners are required to submit annual documentation to OHFA. Together, these requirements ensure the IRS that the units are in compliance and can maintain their tax-credit status. OHFA receives an administrative fee for inspecting these allocated units.

**Housing (Tax) Credit Program  
FYs 1996 to 1998**

<u>Program Year</u>	<u>\$ Amount</u>	<u># Projects</u>	<u># Units</u>	<u>Amount per Unit</u>
1998	\$15,622,665	46	2,475	\$6,312
1997	\$14,181,300	48	2,680	\$5,292
1996	\$14,515,550	59	3,527	\$4,116

- **Affordable Housing Loan**

Funded through unclaimed funds received from the Ohio Department of Commerce, the Affordable Housing Loan Program focuses on the development of housing for low to moderate-income Ohio residents. Repayment of these loans returns to the Division of Unclaimed Funds, thus creating a revolving fund. These funds are used to provide various financing instruments for developments that face a funding gap for a variety of reasons.

The unclaimed funds are used to finance five loan types; seed money, compensating balance, equity bridge, loan guarantee and direct loan. Seed money assists with the financing of eligible costs associated with pre-development activities. To assist with writing down the cost of construction loan interest, the compensating balance loan was created. The equity bridge loan provides interim financing for deferred equity from the sale of housing credits. Since some affordable projects are considered more risky than market-rate units, the loan guarantee fund promises the repayment of a loan (or portion of a loan) in cases of default. The direct loan is a below-market financing tool used during the acquisition, construction and/or post-construction periods.

OHFA provides a loan guarantee program to promise the repayment of a loan for low- and moderate-income family housing. The maximum amount of the loan guarantee will not exceed 80% of the loan or \$1,500,000 (whichever is smaller). Rental housing applicants must lease units to households with income at or below 80% of the AMGI. Home ownership applicants must be qualified at 115% of AMGI. It should be noted that these funds are also available to assist in dire emergency situations such as natural disasters.

Loan amounts are limited by OHFA to include only the amount necessary for construction or rehabilitation of the proposed housing development. For disbursement, it must be determined by the Agency that private financing is not otherwise available. Applicants can qualify for, and use, more than one loan but only one can be active at a time. Loan awards are determined on a monthly basis through an application process, culminating with approval by the OHFA board. The Agency has a current outstanding loan portfolio of \$119,722,000.

**Affordable Housing Loan  
FYs 1996 to 1998**

<u>Recent Programs</u>	<u>\$ Amount</u>	<u># Projects</u>	<u># Units</u>	<u>Amount per Unit</u>
FY98	\$94,201,299	40	2,672	\$35,255
FY97	\$41,214,236	28	1,995	\$20,659
FY96	\$60,702,634	37	1,947	\$31,178

Please note: This program operates on a revolving loan basis and as such, loan repayments are made available for other projects, or even an additional phase of the same project. Thus, an allocation of \$4.0 million from the Division of Unclaimed Funds could support a project portfolio of \$8.0 million or more, depending on the terms and conditions of the loan repayment agreement.

- **Multifamily Housing Bonds**

OHFA is an issuer of tax-exempt mortgage revenue bonds for the purpose of supporting multifamily housing projects. The proceeds from the bonds are loaned as mortgage funds for the development of multifamily housing units. Similar to affordable housing tax credits, qualified applicants must lease at least 20% of the units to households with incomes at or below 50% of the AMGI *or* at least 40% of the project to households with incomes at or below 60% of the AMGI. Rents are not restricted as found in the competitive affordable tax credit program discussed earlier. The projects have the opportunity to charge any amount under the requirement they rent to only individuals meeting the AMGI income ceilings. Many projects choose to utilize the bond financing with the non-competitive tax credit at a lower percentage amount. The non-competitive tax credits also carry the same rent restrictions found in the competitive affordable tax credit project discussed previously.

The amount of tax-exempt mortgage revenue bonds that OHFA can sell to support this program is limited to the amount designated for multifamily rental housing in Ohio's annual volume cap allocation. (See discussion on page 22 entitled "Housing and the Private Activity Volume Cap). Since 1983, OHFA has issued over \$288 million on multifamily bonds for the production of over 6,100 elderly and family rental housing units. OHFA has served as issuer to finance a total of nine projects over the last three years.

**Multifamily Housing Bonds  
FYs 1996-1998**

<u>Program Year</u>	<u>\$ Amount</u>	<u># Projects</u>	<u># Units</u>	<u>Amount per Unit</u>
1998	\$21,685,000	3	557	\$38,932
1997	\$22,150,000	3	622	\$35,611
1996	\$34,990,000	3	959	\$36,486

- **Section 8 Rental Assistance**

HUD funds and administers (either directly or through local metropolitan housing authorities) approximately 111,200, or 93 percent, of Ohio's 120,000 Section 8 housing units. OHFA currently serves as HUD's administrator for the remaining 8,800 units (or 7 percent) that are located in 118 housing projects across the state. The number of Section 8 housing projects in Ohio is second in the nation, just behind the state of California.

The program provides rental subsidies, determined by tenant incomes, to landlords. The individual pays approximately 30% of their income including utilities to assist with their rent. Potential residents are qualified on HUD-approved income limits and selection criteria.

In its role as contract administrator for HUD, OHFA disburses over \$5 million in subsidy payments on a monthly basis to the private owners of Section 8 housing projects. The agency receives an administrative fee to govern the Housing Assistance Payment (HAP) contracts. Due

to the age of this program, a number of contracts with landlords are expiring. OHFA and HUD are developing procedures to entice landlords to continue with the program. Since the number of units has not changed recently, annual disbursements to landlords remain consistent.

**Section 8 Rental Assistance  
FYs 1996-1998**

<u>Recent Programs</u>	<u>\$ Amount</u>	<u># Projects</u>	<u># Units</u>	<u>Amount per Unit</u>
FY98	\$52,781,663	118	8,896	\$5,933
FY97	\$54,105,082	119	8,912	\$6,071
FY96	\$54,492,703	119	8,912	\$6,115

**Special Update: The Status of Section 8 Housing in Ohio**

Section 8 housing in Ohio faces an uncertain future due to the expiration of many housing contracts currently helping low-income households. When Section 8 housing was created, the projects were financed with 40-year mortgages and 20-year Section 8 rental assistance contracts. Beginning in FY 1996, a number of these 20-year housing contracts started to expire. With each passing year, more projects face expiring contracts and uncertain futures. Owners of expired projects can request an extension from HUD or rent in the private market. However, there is the possibility that some owners will cease operations all together and default on their HUD-insured mortgage. Sale or transfer of the property to a new owner would likely result in a loss of the “affordable” units from the program, thus requiring current tenants to seek alternative housing with the use of Section 8 housing vouchers.

If an owner moves the project into the private market, those units are lost permanently from Section 8 designation. When an owner seeks an extension, HUD will extend the contract using the existing/expired contract rates. If the project is at greater than market rent, the rent paid is reduced to market level during the time of the extension (with some exceptions). Since this rent freeze limits the ability of owners to raise revenue, owners can opt out of the program at the end of the contract.

If reducing rents to market puts a project in a position where it can not meet its expenses, the parties may participate in “Portfolio Reengineering”. The Reengineering is a negotiation process between OHFA and the owner to minimize HUD costs but maintain the affordable units. If the negotiations are successful, then HUD reviews and accepts the new contract for the agreed upon period (usually one year). If an amicable solution can not be reached, then the units are no longer under a Section 8 contract and ultimately rents are determined solely by the owner. Renters will receive a housing voucher that will allow them a HUD subsidy up to a stated amount. The renter may use it to remain in the unit they occupy (if the owner will accept the amount of rent HUD will pay) or they can move elsewhere. In many communities, there are more housing vouchers than there are owners willing to accept them. Currently, HUD, OHFA and LBO are working in collaboration to determine the voucher-to-unit ratio for various communities.

The map below reflects each Ohio county and the number of Section 8 units expiring through December 31, 2003. These numbers are approximate and do not represent the number of units that will be lost. As shown, HUD and OHFA have a large number of units to review and negotiate. Different counties have varying numbers of units and, therefore, different number of expiring contracts.

Issues such as trust fund revenue sources, program evaluation, and the future of Section 8 policy present a challenge to legislators. Understanding the structure of the housing problems under the Department of Development is important to the decision-making process in allocating resources for housing programs.

## Housing and the Private Activity Volume Cap

Since the Tax Reform Act of 1986, the federal government has imposed limits on the amount of bonds deemed exempt from federal income tax laws. These bonds (referred to as “private activity bonds”) are issued and administered by the Department of Development for a variety of purposes including affordable single and multifamily housing, manufacturing facilities, environmental, energy and utility projects, redevelopment of distressed areas, and student loans. To control the amount of bonds for these purposes, Congress set a total volume cap equal to \$150 million per state *or* \$50 per capita whichever is greater. Due to its large population, Ohio has received its volume cap allocation on a per capita basis. In 1998, the allocation totaled \$559,300,000. If a state does not spend its entire allocation in a single year, it may carry the unused portion forward for up to three years, as long as the remaining amount is designated to a specific user or function.

Prior to 1998, the volume cap was allocated in various pools. Previous allocations have dedicated one half of Ohio’s volume cap to the OHFA single-family (First-time Homebuyer) program. The remaining amount of volume cap was determined on a first-come, first-serve basis. When an applicant’s program was within 60 days of closing, an application was completed for the Ohio Department of Development. At this point, the volume cap allocation was reserved by the project.

Until 1997, available volume cap exceeded demand in Ohio. The carryover allocation was generally allocated completely to OHFA. In 1997, volume cap demand exceeded supply for a variety of reasons. In the housing market, lower interest rates allowed financing of multifamily housing projects with tax-exempt bonds to be attractive for the first time since the mid-1980s. The use of these tax-exempt bonds allows for the use of non-competitive housing tax credits. Also, urban developers requested large allocations and several projects were financed to support Ohio’s leading industries.

In May of 1997, it became apparent that volume cap requests would outpace the amount of volume cap allocated for calendar year 1997. Some of the shortage was alleviated from previous year carryover totaling \$95,414,290, but the remaining requests were placed on a waiting list. Shortly thereafter, the Director of Development determined that no additional volume cap requests would be taken after July 31, 1997.

On that date, the volume-cap waiting list consisted of projects totaling \$517,350,000. Many of these projects commenced without obtaining the volume cap’s tax-free designation, as it was so readily available in the past. To preserve these projects, emergency volume cap provisions were necessary. Of the projects on the waiting list, \$236,475,420 of the \$559,300,000 available for 1998 was used. The remaining amount was divided among the Single Family Housing, Multifamily Rental Housing, Private Activity Bonds and Discretionary categories as follows:

**Volume Cap Designations  
CY 1998**

Single Family Program	\$ 103,303,860
Multifamily Rental Housing	\$ 41,967,190
Private Activity Bonds	\$ 41,967,190
Discretionary balance	<u>\$ 135,586,340</u>
Subtotal	\$ 322,824,580
Plus Waiting list requests	<u>\$ 236,475,420</u>
TOTAL	<u>\$ 559,300,000</u>

To receive any of these funds, the applicants were required to file a notice of intent by March 31 and pay a \$1,000 application fee and post a 1% deposit. A lottery commenced on April 15 to determine the successful projects.

Future volume cap allocations may use a formula approach to determine the percentage of funds each program category would receive. Under this proposed system, the annual allocation would be determined on a percentage basis with a cap on the highest allocation amount to be provided. The breakdown for this proposal would be as follows:

OHFA	<i>lesser of 40% or \$240,000,000</i>
Student Loans	<i>lesser of 7% or \$44 million (odd years only)</i>

Then, the remaining allocation would be split between two rounds of funding. The first allocation of 40% would be designated in April and the remaining allocation of 60% would be designated in September to the following funds:

Multifamily Rental	<i>lesser of 10% or \$59 million</i>
Small Issue	<i>lesser of 18% or \$100 million</i>
Exempt Families	<i>lesser of 7% or \$44 million</i>

The remaining amount would go to the Discretionary allocation, determined by Director of Development.

## **SECTION III: SUGGESTIONS FOR IMPROVING HOUSING POLICY**

In 1998, programs administered by the Department of Development granted over 200 community projects awards, provided loans or loan guarantees for over 2,000 projects, and provided numerous supportive service awards. These activities demonstrate Ohio's commitment to finding new ways to provide affordable housing and housing services.

### **Comprehensive State Housing Report**

Each division of the Department of Development summarizes its housing program activity on an annual basis. The Office of Housing and Community Partnerships updates the Consolidated Plan for federal funding and the Ohio Housing Finance Agency prepares an annual report for its bond holders. Other state housing programs (Aging, MR/DD, etc.), too, report their program activity as needed, but there is not a single place where all state housing programs can jointly report their progress. Ohio would be well served to create and maintain a comprehensive housing report that summarizes the programs of all Ohio housing programs in the state on an annual or biennial basis.

### **Revisit Housing Needs Assessments**

The first governor's commission recommended a biennial evaluation of housing development programs and a reconvening of a Governor's Commission once per term of office. In light of changing federal housing policy, changing economy, and urban/rural migration within Ohio, it is important for the state to determine whether housing needs have changed since the programs were established. For example, since suburban areas continue to attract city dwellers, the state could uncover new housing needs, such as an increase in the subsidies for homeless shelters (or even a shift in allocations from the larger cities to the suburbs). Housing needs assessments should be a continuous process.

The state has come a long way in providing for affordable housing and services for low-income Ohioans. State housing programs have increased aid in the wake of diminishing levels of federal aid and have addressed wide range of different housing needs. However, the state would benefit from a comprehensive assessment of Ohio's housing needs and the performance of the housing programs.

## **Appendix : State Housing Programs Administered by Other Agencies**

Ohio Department of Aging – *Home Repair and Modification Program*

Ohio Department of Human Services – *Title 20*

Department of Mental Retardation and Developmental Disabilities – *Community Capital Assistance Grant, Supported Living Program, Purchase of Service*

Department of Mental Health – *Community Capital Funding Program, Housing Assistance Program, Residential Services Program, PATH Program*

Department of Alcohol and Drug Addiction Services – *HUD Homeless Assistance 1996 Continuum of Care*

Treasurer of State – *Ohio Housing Initiative*

### **Miscellaneous Federal Housing Programs**

Programs funded – Rural Development Authority Section 502 Single Family Housing – Direct, Guaranteed Rural Housing, Section 504 Rural Housing Loans and Grants, Section 515 Rural Rental Housing, Section 533 Housing Preservation Grants